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1 IN THE SENATE BY THE FINANCE COMMITTEE  
2 CS FOR SENATE BILL NO. 478 (Finance)  
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 AND PURPOSE. (a) The legislature finds that a  
10 cooperative effort between the state and private industry to support and  
11 expand the visitor industry of the state and to foster expansion of the  
12 market for Alaska as a destination throughout the nation and the world is  
13 in the public interest and is a valid public purpose. The legislature  
14 further finds that this cooperative effort would inure to the benefit of  
15 the visitor industry in the state and that some of the costs of maintaining  
16 the effort should be borne by the industry.  
17 (b) The purposes of this Act are to  
18 (1) encourage the expansion and growth of the Alaska visitor  
19 industry for the benefit of the state economy;  
20 (2) promote cooperation between the state and private sector in  
21 the planning and execution of a generic visitor marketing campaign in the  
22 public interest;  
23 (3) promote the development of visitor industry facilities, both  
24 in the private sector and through the use of state resources, as appropri-  
25 ate;  
26 (4) provide a mechanism to promote new markets by encouraging  
27 the development of pilot projects to test new marketing opportunities; and  
28 (5) promote cooperation in the visitor industry by encouraging  
29 membership in a trade association that practices nondiscriminatory

1 promotion and development of all aspects of the Alaska visitor industry.

2 \* Sec. 2. AS 39.25.110 is amended by adding a new paragraph to read:

3 (25) the executive director and other staff of the Alaska  
4 Tourism Marketing Council.

5 \* Sec. 3. AS 39.50.200(a)(8) is amended to read:

6 (8) "public official" means a judicial officer, a member of  
7 the legislature, the fiscal analyst of the legislative finance divi-  
8 sion, the legislative auditor of the legislative audit division, the  
9 executive director of the Legislative Affairs Agency and the directors  
10 of the divisions within the Legislative Affairs Agency, the governor,  
11 the lieutenant governor, a person hired or appointed as the head or  
12 deputy head of, or director of a division within, a department in the  
13 executive branch, an assistant to the governor, chairman or member of  
14 a state commission or board, the executive director of the Alaska  
15 Tourism Marketing Council, and each appointed or elected municipal  
16 officer;

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

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

19 \* Sec. 5. AS 44.33.120 is amended to read:

20 Sec. 44.33.120. ALASKA DIVISION OF TOURISM. (a) There is  
21 created in the Department of Commerce and Economic Development the  
22 Alaska division of tourism. The director of tourism is appointed by  
23 the commissioner of commerce and economic development and serves at  
24 the pleasure of the commissioner.

25 (b) The Alaska division of tourism

26 (1) shall

27 (A) [(1)] cooperate with the tourism marketing council  
28 and organizations in the private sector for the promotion and  
29 development of tourism and conventions into and within the state

1 [ALASKA];

2 (B) [(2)] coordinate with municipal, state, and fed-  
3 eral agencies for the development and promotion of tourism re-  
4 sources and conventions in the state [ALASKA]; and

5 (C) review and approve the procurement documents and  
6 procedures of the tourism marketing council to ensure compliance  
7 with applicable laws and regulations;

8 (2) may

9 (A) [(3)] promote and develop the Alaska tourist and  
10 convention industry by publicizing state attractions through such  
11 means as display advertising in magazines and newspapers, ad-  
12 vertising on radio and television or other advertising media,  
13 publishing pamphlets, brochures and other graphic and pictorial  
14 materials, or by aiding and assisting representatives of the  
15 media, to ensure [INSURE] greater coverage of the [ALASKA'S]  
16 visitor attractions in the state;

17 (B) [(4)] participate in travel shows;

18 (C) [(5)] increase the awareness of the citizens of  
19 the state at the statewide, regional and community level of the  
20 economic importance of the tourist industry;

21 (D) [(6)] assist potential investors in creating new  
22 tourist facilities;

23 (E) [(7)] administer any program of the state in which  
24 the state provides matching funds for municipalities of the state  
25 [POLITICAL SUBDIVISIONS] or nonprofit organizations that under-  
26 take the promotion and development of visitor travel to and in  
27 the state [TOURISM];

28 (F) [(8)] administer visitor information centers;  
29 [WHICH PARTICIPATE IN STATE FUNDS]

1                   (G) conduct research to evaluate the effectiveness of  
2                   the tourism marketing council's marketing programs;

3                   (H) analyze the effect on the Alaska visitor industry  
4                   of state land and resource development projects;

5                   (I) organize, administer, and evaluate demonstration  
6                   projects for the promotion of the Alaska visitor industry and the  
7                   development of new tourism destination markets; and

8                   (J) administer grants under AS 44.33.135.

9           (c) The commissioner of administration shall separately account  
10 for money that derives from the sale of advertising space, pamphlets,  
11 brochures, and other graphic and pictorial materials under this sec-  
12 tion and AS 44.33.020(28) and that the division of tourism deposits in  
13 the general fund. The annual estimated balance in the account may be  
14 used by the legislature to make appropriations to the Department of  
15 Commerce and Economic Development to cover related costs of the divi-  
16 sion of tourism.

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

18           Sec. 44.33.135. GRANTS FOR PROMOTION OR DEVELOPMENT OF VISITOR  
19 TRAVEL. (a) A municipality, a nonprofit corporation formed under  
20 AS 10.20, or a bona fide nonprofit civic, fraternal, or service orga-  
21 nization may receive, as a grant, matching money from the state for up  
22 to 50 percent of the costs of a program or project that the director  
23 of tourism determines is likely to promote or develop visitor travel,  
24 including

25                   (1) the promotion of conventions;

26                   (2) the construction, improvement, or operation of visitor  
27 destination facilities and tourist attractions; and

28                   (3) the development and preservation of attractions of  
29 historical, contemporary, or cultural interest.

1 (b) The commissioner of commerce and economic development shall  
2 adopt regulations to carry out the provisions of this section.

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

4 ARTICLE 10. ALASKA TOURISM MARKETING COUNCIL.

5 Sec. 44.33.700. ALASKA TOURISM MARKETING COUNCIL ESTABLISHED.

6 The Alaska Tourism Marketing Council is established as a public corpo-  
7 ration of the state. It is an instrumentality of the state in the  
8 Department of Commerce and Economic Development, but has a legal  
9 existence independent of and separate from the state. Exercise by the  
10 council of the powers conferred by AS 44.33.700 - 44.33.780 is an  
11 essential governmental function of the state.

12 Sec. 44.33.710. MANAGEMENT OF COUNCIL. (a) Unless the commis-  
13 sioner contracts with a qualified trade association under (b) of this  
14 section, the governing body of the council is a board of directors  
15 consisting of the director of tourism, the commissioner of commerce  
16 and economic development, and the commissioner of another principal  
17 executive department designated by the governor.

18 (b) Unless the commissioner determines that it would not be in  
19 the best interests of the state, the commissioner shall contract with  
20 a single qualified trade association to jointly manage the council if  
21 the trade association agrees that, before the end of each fiscal year  
22 that the contract covers, the association will contribute at least 15  
23 percent of the total operating expenses of the council for that fiscal  
24 year. The term of a contract under this section may not exceed two  
25 years.

26 (c) If the commissioner contracts with a qualified trade asso-  
27 ciation under (b) of this section, the governing body of the council  
28 is a board of directors consisting of 21 members and subject to the  
29 following provisions:

- 1 (1) a board member shall  
2 (A) be substantially involved in a visitor industry  
3 business;  
4 (B) have training in a field such as marketing;  
5 (C) be an officer or a senior staff member of a local  
6 government or nonprofit enterprise established to promote the  
7 visitor industry; or  
8 (D) have previous business or government experience  
9 that would materially enhance the member's ability to contribute  
10 to the planning, execution, or evaluation of a visitor industry  
11 promotional marketing campaign;
- 12 (2) the contract shall provide that the trade association  
13 may select up to 10 board members; the governor may remove a member of  
14 the commission selected under this paragraph on the delivery by the  
15 governor to the board of a written statement explaining the reasons  
16 for the removal;
- 17 (3) the governor shall appoint 10 board members; each board  
18 member appointed by the governor serves at the pleasure of the gover-  
19 nor; in making appointments to the board under this paragraph, the  
20 governor shall ensure that the board, including members selected under  
21 (2) of this subsection, is broadly representative of the different  
22 regions of the state;
- 23 (4) eleven members of the board constitute a quorum for the  
24 transaction of business and the exercise of the powers and duties of  
25 the board, and any action by the board requires 11 affirmative votes;
- 26 (5) the director serves as presiding officer of the board  
27 and may not vote except in the case of a tie;
- 28 (6) a board member may not participate or vote by proxy;
- 29 (7) the board shall meet at least four times a year at the

1 call of the presiding officer or upon the written request of seven  
2 members of the board;

3 (8) the board shall elect other necessary officers from  
4 among its members annually;

5 (9) the members of the board appointed by the governor  
6 serve staggered three-year terms, subject to continuation of the  
7 contract, and may be reappointed;

8 (10) a person appointed to fill a vacancy on the board holds  
9 office for the balance of the term of the person's predecessor;

10 (11) board members receive no salary for serving in that  
11 position, but are entitled to per diem and travel expenses under  
12 AS 39.20.180, except that they are entitled to per diem and travel  
13 expenses for travel only for the percentage of total travel that  
14 occurs within the state; the contract must provide that the trade  
15 association will reimburse the council for per diem and travel ex-  
16 penses paid to those board members appointed by the trade association  
17 and reimbursement under this paragraph does not qualify as a part of  
18 the association's required contribution under (b) of this section.

19 (d) A contract or grant entered into by the council is not  
20 effective until signed by the director.

21 Sec. 44.33.720. EMPLOYEES. The board of directors of the coun-  
22 cil may employ and determine the salary of the staff of the council,  
23 which may include an executive director. If there is no executive  
24 director, the staff of the council is supervised by the presiding  
25 officer of the board.

26 Sec. 44.33.730. POWERS OF THE BOARD. (a) The board may

27 (1) adopt, alter, and use a corporate seal;

28 (2) prescribe, adopt, amend, and repeal bylaws relating to  
29 the internal management and operations of the council, including the

1 granting of distribution rights to tourism mailing lists;  
2 (3) sue and be sued in the name of the council;  
3 (4) enter into any agreements necessary to perform its  
4 functions;  
5 (5) cooperate with a public or private board, organization,  
6 or agency engaged in work or activities similar to the work or activ-  
7 ities of the council, including entering into contracts for joint  
8 programs of tourism advertising and marketing;  
9 (6) receive contributions of money;  
10 (7) establish offices in the state and otherwise incur ex-  
11 penses incidental to the performance of its duties;  
12 (8) appear on behalf of the council before boards, com-  
13 missions, departments, or other agencies of municipal, state, or fed-  
14 eral government except as provided under (b) of this section;  
15 (9) acquire, hold, lease, sell, or otherwise dispose of  
16 property, but such property is limited to that which is necessary to  
17 the administrative functioning of the council;  
18 (10) appoint committees comprised of board and nonboard  
19 members; the presiding officer of each committee shall be a board  
20 member;  
21 (11) prepare and implement plans for the promotion of tour-  
22 ism to and inside the state;  
23 (12) sell, at fair market value, tourism advertising space  
24 in publications and promotional materials developed by the council;  
25 and  
26 (13) provide space in publications and promotional materials  
27 developed by the council to a qualified trade association that has  
28 contracted with the department under AS 44.33.710(b) if the trade  
29 association pays its pro rata share of production costs for the publi-

1 cation or promotional material; payment under this paragraph is not  
2 part of the association's required contribution under AS 44.33.710(b).

3 (b) The board may not use funds appropriated by the legislature  
4 to employ a lobbyist.

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

6 (1) conduct a tourism marketing program designed to accom-  
7 plish the purposes of AS 44.33.700 - 44.33.780;

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

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

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

16 (5) annually submit a proposed operating budget to the  
17 director, to be used by the Department of Commerce and Economic Devel-  
18 opment to prepare and submit the operating budget of the council under  
19 AS 44.33.750; and

20 (6) submit a report to the legislature, by the 10th day of  
21 each regular session, describing how the contractual money was spent  
22 in the first half of the year and explaining the plan for expenditures  
23 during the second half of the year.

24 (b) In performing its functions under AS 44.33.700 - 44.33.780,  
25 the council may not favor any particular tourism business entity or  
26 other person.

27 Sec. 44.33.750. EXECUTIVE BUDGET ACT. The operating budget of  
28 the council shall be prepared and submitted under AS 37.07 (Executive  
29 Budget Act).

1           Sec. 44.33.760. ACCOUNTING AND DISPOSITION OF RECEIPTS.   (a)  
2           The tourism marketing council shall deposit money collected under  
3           AS 44.33.700 - 44.33.780 in the general fund.

4           (b) The commissioner of administration shall separately account  
5           for all receipts deposited in the general fund under (a) of this  
6           section. The annual estimated balance in the account may be used by  
7           the legislature to make appropriations to the council to carry out its  
8           purposes under AS 44.33.700 - 44.33.780.

9           Sec. 44.33.780. DEFINITIONS. In AS 44.33.700 - 44.33.780

10           (1) "board" means the board of directors of the Alaska  
11           Tourism Marketing Council;

12           (2) "commissioner" means the commissioner of commerce and  
13           economic development;

14           (3) "council" means the Alaska Tourism Marketing Council;

15           (4) "director" means the director of tourism;

16           (5) "qualified trade association" means a private, nonprof-  
17           it organization whose primary purpose is the promotion of tourism to  
18           and within the state and which has a statewide membership comprised of  
19           representatives of all major sectors of the visitor industry, includ-  
20           ing without limitation hotels, airlines, cruise lines, wholesale and  
21           retail travel agencies, visitor attractions, and convention and visi-  
22           tors bureaus.

23           \* Sec. 8. AS 44.66.010(a) is amended by adding a new paragraph to  
24           read:

25           (15) Alaska Tourism Marketing Council (AS 44.33.700) --  
26           June 30, 1993.

27           \* Sec. 9. AS 44.33.130, 44.33.140, 44.33.145, 44.33.150, 44.33.160,  
28           44.33.170, and 44.33.180 are repealed.

29           \* Sec. 10. If the commissioner of commerce and economic development

1 contracts with a qualified trade association under AS 44.33.710(b), enacted  
2 in sec. 7 of this Act, initial appointments by the governor to the board of  
3 directors of the Alaska Tourism Marketing Council under AS 44.33.710(c)(4),  
4 enacted in sec. 7 of this Act, shall be made for the following terms:

- 5           (1) four members shall serve for one year;  
6           (2) three members shall serve for two years; and  
7           (3) three members shall serve for three years.

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