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1 IN THE SENATE

BY THE FINANCE COMMITTEE

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CS FOR SENATE BILL NO. 478 (Finance) am

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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."

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

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* 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.

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(b) The purposes of this Act are to

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(1) encourage the expansion and growth of the Alaska visitor

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industry for the benefit of the state economy;

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(2) promote cooperation between the state and private sector in

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the planning and execution of a generic visitor marketing campaign in the

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public interest;

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(3) promote the development of visitor industry facilities, both

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in the private sector and through the use of state resources, as appropri-

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ate;

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(4) provide a mechanism to promote new markets by encouraging

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the development of pilot projects to test new marketing opportunities; and

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(5) promote cooperation in the visitor industry by encouraging

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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 and no more than two other
24 employees. If there is no executive director, the staff of the coun-
25 cil is supervised by the presiding 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 (13) provide space in publications and promotional materials
26 developed by the council to a qualified trade association that has
27 contracted with the department under AS 44.33.710(b) if the trade
28 association pays its pro rata share of production costs for the publi-
29 cation or promotional material; payment under this paragraph is not

1 part of the association's required contribution under AS 44.33.710(b);
2 and

3 (14) grant distribution rights to mailing lists developed by
4 the council under regulations adopted by the commissioner.

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

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

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

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

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

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

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

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

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

29 Sec. 44.33.750. EXECUTIVE BUDGET ACT. The operating budget of

1 the council shall be prepared and submitted under AS 37.07 (Executive
2 Budget Act).

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

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

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

12 (1) "board" means the board of directors of the Alaska
13 Tourism Marketing Council;

14 (2) "commissioner" means the commissioner of commerce and
15 economic development;

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

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

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

25 * Sec. 8. AS 44.66.010(a) is amended by adding a new paragraph to
26 read:

27 (15) Alaska Tourism Marketing Council (AS 44.33.700) --
28 June 30, 1993.

29 * Sec. 9. AS 44.33.130, 44.33.140, 44.33.145, 44.33.150, 44.33.160,

1 44.33.170, and 44.33.180 are repealed.

2 * Sec. 10. If the commissioner of commerce and economic development
3 contracts with a qualified trade association under AS 44.33.710(b), enacted
4 in sec. 7 of this Act, initial appointments by the governor to the board of
5 directors of the Alaska Tourism Marketing Council under AS 44.33.710(c)(4),
6 enacted in sec. 7 of this Act, shall be made for the following terms:

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

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