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Referred: Finance

go0028sZ

Original sponsor: Rules/Governor

1 IN THE SENATE BY THE STATE AFFAIRS COMMITTEE  
2 HOUSE CS FOR CS FOR SENATE BILL NO. 478 (State Affairs)  
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 the state 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 this  
14 cooperative effort would inure to the benefit of the visitor industry in  
15 the state and that some of the costs of maintaining the effort should be  
16 borne by the industry. The legislature further finds that revision and  
17 expansion of the traditional concepts of tourism are in the public interest  
18 and the state should take an active interest in the ensurance of a quality  
19 experience for visitors to the state, cooperate with the private sector in  
20 improving the amenities available to visitors to the state, and seek to  
21 ensure authentic and accessible experiences for visitors to the state.

22 \* Sec. 2. AS 39.25.110 is amended by adding a new paragraph to read:  
23 (25) the executive director and other staff of the Alaska  
24 Tourism Marketing Council.

25 \* Sec. 3. AS 39.50.200(a)(8) is amended to read:  
26 (8) "public official" means a judicial officer, a member of  
27 the legislature, the fiscal analyst of the legislative finance divi-  
28 sion, the legislative auditor of the legislative audit division, the  
29 executive director of the Legislative Affairs Agency and the directors

1 of the divisions within the Legislative Affairs Agency, the governor,  
2 the lieutenant governor, a person hired or appointed as the head or  
3 deputy head of, or director of a division within, a department in the  
4 executive branch, an assistant to the governor, chairman or member of  
5 a state commission or board, the executive director of the Alaska  
6 Tourism Marketing Council, and each appointed or elected municipal  
7 officer;

8 \* Sec. 4. AS 39.50.200(b) is amended by adding a new paragraph to read:  
9 (49) Alaska Tourism Marketing Council (AS 44.33.700).

10 \* Sec. 5. AS 44.33 is amended by adding a new section to article 2 to  
11 read:

12 Sec. 44.33.119. PURPOSES. The purposes of AS 44.33.119 - 44.-  
13 33.135 and 44.33.700 - 44.33.780 are to

14 (1) encourage the expansion and growth of the state's visi-  
15 tor and recreation industries for the benefit of the citizens of the  
16 state;

17 (2) ensure that the economic benefits to be derived from  
18 tourism in the state are retained in the state, to the extent practi-  
19 cable;

20 (3) ensure that the maximum number of residents of the  
21 state are employed in the tourism industry;

22 (4) promote cooperation between the state and private  
23 sector in the planning and execution of a generic visitor marketing  
24 campaign in the public interest;

25 (5) promote the development of visitor industry facilities,  
26 both in the public sector and the private sector, through the use of  
27 state resources, as appropriate;

28 (6) ensure that the visitor experience in the state is and  
29 continues to be satisfactory and leads to word-of-mouth advertising

1 and return visits to the state;

2 (7) ensure that consideration is given to local community  
3 goals and objectives and the impacts on recreational and subsistence  
4 opportunities for the residents of the state in the development and  
5 implementation of the tourism program.

6 \* Sec. 6. AS 44.33.120 is amended to read:

7 Sec. 44.33.120. ALASKA DIVISION OF TOURISM. (a) There is  
8 created in the Department of Commerce and Economic Development the  
9 Alaska division of tourism. The director of tourism is appointed by  
10 the commissioner of commerce and economic development and serves at  
11 the pleasure of the commissioner.

12 (b) The Alaska division of tourism shall

13 (1) cooperate with the tourism marketing council and orga-  
14 nizations in the private sector for the promotion and development of  
15 tourism and conventions into and within the state [ALASKA];

16 (2) coordinate with municipal, state, and federal agencies  
17 for the development and promotion of tourism resources and conventions  
18 in the state [ALASKA];

19 (3) review and approve the procurement documents and proce-  
20 dures of the tourism marketing council to ensure compliance with  
21 applicable laws and regulations;

22 (4) promote and develop the Alaska tourist and convention  
23 industry by any of the following:

24 (A) publicizing state attractions through such means  
25 as display advertising in magazines and newspapers, advertising  
26 on radio and television or other advertising media, publishing  
27 pamphlets, brochures and other graphic and pictorial materials,  
28 or by aiding and assisting representatives of the media, to  
29 ensure [INSURE] greater coverage of the [ALASKA'S] visitor

1           attractions in the state;

2                    (B) participation [(4) PARTICIPATE] in travel shows;

3                    (C) increasing [(5) INCREASE] the awareness of the

4 citizens of the state at the statewide, regional and community

5 level of the economic importance of the tourist industry;

6                    (D) assisting [(6) ASSIST] potential investors in

7 creating new tourist facilities;

8                    (E) administering [(7) ADMINISTER] any program of the

9 state in which the state provides matching funds for municipal-

10 ities of the state [POLITICAL SUBDIVISIONS] or nonprofit organi-

11 zations that undertake the promotion and development of visitor

12 travel to and in the state [TOURISM];

13                    (F) administering [(8) ADMINISTER] visitor informa-

14 tion centers; [WHICH PARTICIPATE IN STATE FUNDS]

15                    (G) conducting research to evaluate the effectiveness

16 of the tourism marketing council's marketing programs;

17                    (H) analyzing the effect on the Alaska visitor indus-

18 try of state land and resource development projects;

19                    (I) organizing, administering, and evaluating demon-

20 stration projects for the promotion of the Alaska visitor indus-

21 try and the development of new tourism destination markets; and

22                    (J) administering grants under AS 44.33.135.

23           (c) The commissioner of administration shall separately account

24 for money that derives from the sale of advertising space, pamphlets,

25 brochures, and other graphic and pictorial materials under this sec-

26 tion and AS 44.33.020(28) and that the division of tourism deposits in

27 the general fund. The annual estimated balance in the account may be

28 used by the legislature to make appropriations to the Department of

29 Commerce and Economic Development to cover related costs of the

1 division of tourism.

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

3 Sec. 44.33.122. ESTABLISHMENT OF TOURISM COORDINATING COMMITTEE.

4 (a) The Tourism Coordinating Committee is established in the Depart-  
5 ment of Commerce and Economic Development.

6 (b) The committee is established to coordinate the responsibili-  
7 ties of state agencies that affect tourism.

8 (c) The committee shall

9 (1) provide a forum to develop the goals for the division  
10 such as increased local hire in tourism, an increased emphasis on  
11 attraction to the state of travelers who do not come with organized  
12 tours and the support of worthwhile local entrepreneurial and communi-  
13 ty tourism ventures;

14 (2) conduct analyses of problems facing development of  
15 tourism in the state and develop solutions to those problems by ex-  
16 ploring successful models for the development of travel and recreation  
17 in other tourism-focused states and nations;

18 (3) develop, review, and recommend to the governor and  
19 commissioners budget requests for tourism development in the various  
20 programs of the agencies of the state; and

21 (4) coordinate the operating programs of state agencies to  
22 enhance tourism development efforts.

23 (d) The committee may hold formal or informal meetings concerned  
24 with the responsibilities assigned under this section and with other  
25 associated responsibilities. The committee may appoint subcommittees  
26 and may consider topics at meetings with less than the entire member-  
27 ship of the committee present.

28 Sec. 44.33.124. MEMBERSHIP OF THE TOURISM COORDINATING COMMIT-  
29 TEE. The governor shall appoint the members of the Tourism

1 Coordinating Committee. Members may be appointed from the operational  
2 level of state agencies and may include representatives from the  
3 following:

- 4 (1) Office of the Governor (office of management and bud-  
5 get, international trade);
- 6 (2) Department of Commerce (tourism, business development);
- 7 (3) Department of Community and Regional Affairs;
- 8 (4) Department of Education (state museums);
- 9 (5) Department of Environmental Conservation;
- 10 (6) Department of Fish and Game (sport fish, habitat,  
11 fisheries rehabilitation, enhancement, and development);
- 12 (7) Department of Labor;
- 13 (8) Department of Natural Resources (parks, forestry, land  
14 and water, and historic preservation);
- 15 (9) Department of Revenue (taxation and revenue considera-  
16 tions);
- 17 (10) Department of Transportation and Public Facilities  
18 (airports, ferry system, highways);
- 19 (11) University of Alaska (Center for International Busi-  
20 ness);
- 21 (12) Alaska Railroad.

22 \* Sec. 8. AS 44.33 is amended by adding a new section to read:

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

- 1 (1) the promotion of conventions;  
2 (2) the construction, improvement, or operation of visitor  
3 destination facilities and tourist attractions; and  
4 (3) the development and preservation of attractions of  
5 historical, contemporary, or cultural interest.

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

8 \* Sec. 9. AS 44.33 is amended by adding new sections to read:

9 ARTICLE 10. ALASKA TOURISM MARKETING COUNCIL.

10 Sec. 44.33.700. ALASKA TOURISM MARKETING COUNCIL ESTABLISHED.

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

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

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

1 years.

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

6 (1) a board member shall

7 (A) be substantially involved in a visitor industry  
8 business;

9 (B) have training in a field such as marketing;

10 (C) be an officer or a senior staff member of a local  
11 government or nonprofit enterprise established to promote the  
12 visitor industry; or

13 (D) have previous business or government experience  
14 that would materially enhance the member's ability to contribute  
15 to the planning, execution, or evaluation of a visitor industry  
16 promotional marketing campaign;

17 (2) the contract shall provide that the trade association  
18 may select up to 10 board members; the governor may remove a member of  
19 the commission selected under this paragraph on the delivery by the  
20 governor to the board of a written statement explaining the reasons  
21 for the removal;

22 (3) the governor shall appoint 10 board members; each board  
23 member appointed by the governor serves at the pleasure of the gover-  
24 nor; in making appointments to the board under this paragraph, the  
25 governor shall ensure that the board, including members selected under  
26 (2) of this subsection, is broadly representative of the different  
27 regions of the state;

28 (4) eleven members of the board constitute a quorum for the  
29 transaction of business and the exercise of the powers and duties of

1 the board, and any action by the board requires 11 affirmative votes;  
2 (5) the director serves as presiding officer of the board;  
3 the board shall elect other necessary officers from among its members  
4 annually;  
5 (6) a board member may not participate or vote by proxy;  
6 (7) the board shall meet at least four times a year at the  
7 call of the presiding officer or upon the written request of seven  
8 members of the board;  
9 (8) the members of the board appointed by the governor  
10 serve staggered three-year terms, subject to continuation of the  
11 contract, and may be reappointed;  
12 (9) a person appointed to fill a vacancy on the board holds  
13 office for the balance of the term of the person's predecessor;  
14 (10) board members receive no salary for serving in that  
15 position, but are entitled to per diem and travel expenses under  
16 AS 39.20.180, except that they are entitled to per diem and travel  
17 expenses for travel only for the percentage of total travel that  
18 occurs within the state; the contract must provide that the trade  
19 association will reimburse the council for per diem and travel ex-  
20 penses paid to those board members appointed by the trade association  
21 and reimbursement under this paragraph does not qualify as a part of  
22 the association's required contribution under (b) of this section.  
23 (d) A contract or grant entered into by the council is not  
24 effective until signed by the director.  
25 Sec. 44.33.720. EMPLOYEES. The board of directors of the coun-  
26 cil may employ and determine the salary of the staff of the council,  
27 which may include an executive director and no more than two other  
28 employees. If there is no executive director, the staff of the coun-  
29 cil is supervised by the presiding officer of the board.

1           Sec. 44.33.730. POWERS OF THE BOARD. (a) The board may  
2           (1) adopt, alter, and use a corporate seal;  
3           (2) prescribe, adopt, amend, and repeal bylaws relating to  
4           the internal management and operations of the council, including the  
5           granting of distribution rights to tourism mailing lists;  
6           (3) sue and be sued in the name of the council;  
7           (4) enter into any agreements necessary to perform its  
8           functions;  
9           (5) cooperate with a public or private board, organization,  
10          or agency engaged in work or activities similar to the work or activ-  
11          ities of the council, including entering into contracts for joint  
12          programs of tourism advertising and marketing;  
13          (6) receive contributions of money;  
14          (7) establish offices in the state and otherwise incur ex-  
15          penses incidental to the performance of its duties;  
16          (8) appear on behalf of the council before boards, com-  
17          missions, departments, or other agencies of municipal, state, or fed-  
18          eral government except as provided under (b) of this section;  
19          (9) acquire, hold, lease, sell, or otherwise dispose of  
20          property, but such property is limited to that which is necessary to  
21          the administrative functioning of the council;  
22          (10) appoint committees comprised of board and nonboard  
23          members; the presiding officer of each committee shall be a board  
24          member;  
25          (11) prepare and implement plans for the promotion of tour-  
26          ism to and inside the state;  
27          (12) sell, at fair market value, tourism advertising space  
28          in publications and promotional materials developed by the council;  
29          (13) provide space in publications and promotional materials

1 developed by the council to a qualified trade association that has  
2 contracted with the department under AS 44.33.710(b) if the trade  
3 association pays its pro rata share of production costs for the publi-  
4 cation or promotional material; payment under this paragraph is not  
5 part of the association's required contribution under AS 44.33.710(b);  
6 and

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

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

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

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

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

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

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

22 (5) annually submit a proposed operating budget to the  
23 director, to be used by the Department of Commerce and Economic Devel-  
24 opment to prepare and submit the operating budget of the council under  
25 AS 44.33.750; and

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

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

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

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

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

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

16 (1) "board" means the board of directors of the Alaska  
17 Tourism Marketing Council;

18 (2) "commissioner" means the commissioner of commerce and  
19 economic development;

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

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

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

29 \* Sec. 10. AS 44.66.010(a) is amended by adding a new paragraph to

1 read:

2 (15) Alaska Tourism Marketing Council (AS 44.33.700) --  
3 June 30, 1993.

4 \* Sec. 11. AS 44.33.130, 44.33.140, 44.33.145, 44.33.150, 44.33.160,  
5 44.33.170, and 44.33.180 are repealed.

6 \* Sec. 12. If the commissioner of commerce and economic development  
7 contracts with a qualified trade association under AS 44.33.710(b), enacted  
8 in sec. 9 of this Act, initial appointments by the governor to the board of  
9 directors of the Alaska Tourism Marketing Council under AS 44.33.710(c)(4),  
10 enacted in sec. 9 of this Act, shall be made for the following terms:

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

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

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

14 \* Sec. 13. This Act takes effect July 1, 1988.