

Original sponsor: Rules/Governor

1 IN THE SENATE BY THE FINANCE COMMITTEE  
2 HOUSE CS FOR 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. 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 expansion of the  
17 economic benefit of tourism is in the public interest and the state should  
18 take an active interest in the ensurance of a quality experience for visi-  
19 tors to the state, cooperate with the private sector in improving the  
20 amenities available to visitors to the state, and seek to ensure authentic  
21 and accessible experiences for visitors throughout 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 industry for the benefit of the citizens of the state;

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

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

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

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

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

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

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 ap-  
21 plicable 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 en-  
29 sure [INSURE] greater coverage of the [ALASKA'S] visitor attrac-

1            tions 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 visitor [TOURIST] indus-  
6            try;

7                    (D) assisting [(6) ASSIST] potential investors in  
8            creating new visitor [TOURIST] facilities;

9                    (E) administering programs [(7) ADMINISTER ANY PRO-  
10            GRAM] of the state in which the state provides matching funds for  
11            municipalities of the state [POLITICAL SUBDIVISIONS] or nonprofit  
12            organizations that undertake the promotion [AND DEVELOPMENT] of  
13            visitor travel to and the development of visitor amenities in the  
14            state [TOURISM];

15                    (F) administering [(8) ADMINISTER] visitor informa-  
16            tion centers; [WHICH PARTICIPATE IN STATE FUNDS]

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

19                    (H) analyzing the effect on the Alaska visitor indus-  
20            try of state land and resource development projects;

21                    (I) organizing, administering, and evaluating demon-  
22            stration projects for the promotion of the Alaska visitor indus-  
23            try and the development of new tourism destination markets; and

24                    (J) administering grants under AS 44.33.135.

25            (c) The commissioner of administration shall separately account  
26            for money that derives from the sale of advertising space, pamphlets,  
27            brochures, and other graphic and marketing [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 and the Alaska Tourism Marketing Council.

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

5 Sec. 44.33.122. ESTABLISHMENT OF TOURISM COORDINATING COMMITTEE.

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

8 (b) The committee is established to advise the division of  
9 tourism and to coordinate the activities of state agencies that affect  
10 tourism.

11 (c) The committee shall

12 (1) provide a forum to develop interagency goals for visi-  
13 tor attraction and services that are consistent with the public in-  
14 terest and that will provide increased economic benefits to the vari-  
15 ous regions of the state;

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

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

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

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

1           Sec. 44.33.124. MEMBERSHIP OF THE TOURISM COORDINATING COMMIT-  
2           TEE. The governor shall appoint the members of the Tourism Coordinat-  
3           ing Committee. Members may be appointed from the operational level of  
4           state agencies and may include representatives from the following:

5           (1) Office of the Governor (office of management and bud-  
6           get, international trade);

7           (2) Department of Commerce (tourism, business development);

8           (3) Department of Community and Regional Affairs;

9           (4) Department of Education (state museums);

10          (5) Department of Environmental Conservation;

11          (6) Department of Fish and Game (sport fish, habitat,  
12          fisheries rehabilitation, enhancement, and development);

13          (7) Department of Labor;

14          (8) Department of Natural Resources (parks, forestry, land  
15          and water, and historic preservation);

16          (9) Department of Revenue (taxation and revenue considera-  
17          tions);

18          (10) Department of Transportation and Public Facilities  
19          (airports, ferry system, highways);

20          (11) University of Alaska (Center for International Busi-  
21          ness);

22          (12) Alaska Railroad.

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

24                Sec. 44.33.135. GRANTS FOR PROMOTION OR DEVELOPMENT OF VISITOR  
25                TRAVEL. (a) A municipality, a nonprofit corporation formed under  
26                AS 10.20, or a bona fide nonprofit civic, fraternal, or service orga-  
27                nization may receive, as a grant, matching money from the state for up  
28                to 50 percent of the costs of a program or project that the director  
29                of tourism determines is consistent with the purposes of AS 44.33.119

1 and is likely to promote or develop visitor travel, including

2 (1) the promotion of conventions;

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

5 (3) the development and preservation of attractions of  
6 historical, contemporary, recreational, or cultural interest.

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

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

10 ARTICLE 10. ALASKA TOURISM MARKETING COUNCIL.

11 Sec. 44.33.700. ALASKA TOURISM MARKETING COUNCIL ESTABLISHED.

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

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

24 (b) If the commissioner determines that it is in the best  
25 interests of the state to promote the state as a destination through  
26 the cooperative marketing program, the commissioner shall contract  
27 with a single qualified trade association to jointly manage the coun-  
28 cil if the trade association agrees that, before the end of each  
29 fiscal year that the contract covers, the association will contribute

1 at least 15 percent of the total operating expenses of the council for  
2 that fiscal year. The term of a contract under this section may not  
3 exceed two years.

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

8 (1) a board member shall

9 (A) be substantially involved in a visitor or recre-  
10 ation industry business;

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

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

15 (D) have business or government experience that would  
16 materially enhance the member's ability to contribute to the  
17 planning, execution, or evaluation of a visitor industry promo-  
18 tional marketing campaign;

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

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

1 (4) 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, and any action by the board requires 11 affirmative votes;

4 (5) the director serves as presiding officer of the board;  
5 the board shall elect other necessary officers from among its members  
6 annually;

7 (6) a board member may not participate or vote by proxy;

8 (7) the board shall meet at least four times a year at the  
9 call of the presiding officer or upon the written request of seven  
10 members of the board;

11 (8) the members of the board appointed by the governor  
12 serve staggered three-year terms, subject to continuation of the  
13 contract, and may be reappointed;

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

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

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

27 Sec. 44.33.720. EMPLOYEES. The board of directors of the coun-  
28 cil may employ and determine the salary of the staff of the council,  
29 which may include an executive director and no more than two other

1 employees. The executive director and the employees of the council  
2 shall be paid salaries that are comparable to salaries paid to employ-  
3 ees of the state. If there is no executive director, the staff of the  
4 council is supervised by the presiding officer of the board.

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

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

7 (2) prescribe, adopt, amend, and repeal bylaws relating to  
8 the internal management and operations of the council, including the  
9 granting of distribution rights to tourism mailing lists;

10 (3) sue and be sued in the name of the council;

11 (4) enter into any agreements necessary to perform its  
12 functions;

13 (5) cooperate with a public or private board, organization,  
14 or agency engaged in work or activities similar to the work or activ-  
15 ities of the council, including entering into contracts for joint  
16 programs of tourism advertising and marketing;

17 (6) receive contributions of money;

18 (7) establish offices in the state and otherwise incur ex-  
19 penses incidental to the performance of its duties;

20 (8) appear on behalf of the council before boards, com-  
21 missions, departments, or other agencies of municipal, state, or fed-  
22 eral government except as provided under (b) of this section;

23 (9) acquire, hold, lease, sell, or otherwise dispose of  
24 property, but such property is limited to that which is necessary to  
25 the administrative functioning of the council;

26 (10) appoint committees comprised of board and nonboard  
27 members; the presiding officer of each committee shall be a board  
28 member;

29 (11) prepare and implement plans for the promotion of travel

1 to and inside the state;

2 (12) sell, at fair market value, tourism advertising space  
3 in publications and promotional materials developed by the council;  
4 and

5 (13) provide space to a qualified trade association in  
6 publications and promotional materials developed by the council if the  
7 trade association has contracted with the department under AS 44.33.-  
8 710(b) and pays its pro rata share of the production costs for the  
9 publication or promotional material; payment under this paragraph is  
10 not part of the association's required contribution under AS 44.33.-  
11 710(b).

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

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

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

17 (2) prepare and implement plans for the promotion of Alaska  
18 tourism, including necessary research;

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

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

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

28 (6) provide advice, on the request of the director of  
29 tourism, on the programs of the division; and

1 (7) submit a report to the legislature, by the 10th day of  
2 each regular session, describing how the contractual money was spent  
3 in the first half of the year and explaining the plan for expenditures  
4 during the second half of the year.

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

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

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

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

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

20 (1) "board" means the board of directors of the Alaska  
21 Tourism Marketing Council;

22 (2) "commissioner" means the commissioner of commerce and  
23 economic development;

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

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

26 (5) "qualified trade association" means a private, nonprof-  
27 it organization whose primary purpose is the promotion of tourism to  
28 and within the state and which has a statewide membership comprised of  
29 representatives of all major sectors of the visitor industry,

1 including without limitation hotels, airlines, cruise lines, wholesale  
2 and retail travel agencies, visitor attractions, and convention and  
3 visitors bureaus.

4 \* Sec. 10. AS 44.66.010(a) is amended by adding new paragraphs to  
5 read:

6 (15) Alaska Tourism Marketing Council (AS 44.33.700) --  
7 June 30, 1993;

8 (16) Tourism Coordinating Committee (AS 44.33.122) --  
9 June 30, 1993.

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

12 \* Sec. 12. Notwithstanding AS 44.33.710(b) as enacted in sec. 9 of this  
13 Act, for fiscal year 1989, unless the commissioner determines that it is  
14 not in the best interests of the state, the commissioner shall contract  
15 under AS 44.33.710(b) with a single qualified trade association to jointly  
16 manage the Alaska Tourism Marketing Council.

17 \* Sec. 13. If the commissioner of commerce and economic development  
18 contracts with a qualified trade association under AS 44.33.710(b), enacted  
19 in sec. 9 of this Act, initial appointments by the governor to the board of  
20 directors of the Alaska Tourism Marketing Council under AS 44.33.710(c)(4),  
21 enacted in sec. 9 of this Act, shall be made for the following terms:

- 22 (1) four members shall serve for one year;  
23 (2) three members shall serve for two years; and  
24 (3) three members shall serve for three years.

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