

Original sponsor: Rules/Governor

1 IN THE SENATE BY THE FINANCE COMMITTEE
2 HOUSE CS FOR CS FOR SENATE BILL NO. 478 (Finance) am H
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 greatest extent
18 possible;

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 (8) promote the development of tourism opportunities along
7 the highway system of the state, including the marine highway, and in
8 rural areas of the state.

9 * Sec. 6. 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. The director of tourism is appointed by
13 the commissioner of commerce and economic development and serves at
14 the pleasure of the commissioner.

15 (b) The Alaska division of tourism shall

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

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

22 (3) review and approve the procurement documents and proce-
23 dures of the tourism marketing council to ensure compliance with ap-
24 plicable laws and regulations;

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

27 (A) publicizing state attractions through such means
28 as display advertising in magazines and newspapers, advertising
29 on radio and television or other advertising media, publishing

1 pamphlets, brochures and other graphic and pictorial materials,
2 or by aiding and assisting representatives of the media, to en-
3 sure [INSURE] greater coverage of the [ALASKA'S] visitor attrac-
4 tions in the state;

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

6 (C) increasing [(5) INCREASE] the awareness of the
7 citizens of the state at the statewide, regional and community
8 level of the economic importance of the visitor [TOURIST] indus-
9 try;

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

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

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

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

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

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

27 (J) administering grants under AS 44.33.135.

28 (c) The commissioner of administration shall separately account
29 for money that derives from the sale of advertising space, pamphlets,

1 brochures, and other graphic and marketing [PICTORIAL] materials under
2 this section and AS 44.33.020(28) and that the division of tourism
3 deposits in the general fund. The annual estimated balance in the
4 account may be used by the legislature to make appropriations to the
5 Department of Commerce and Economic Development to cover related costs
6 of the division of tourism and the Alaska Tourism Marketing Council.

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

8 Sec. 44.33.122. ESTABLISHMENT OF TOURISM COORDINATING COMMITTEE.

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

11 (b) The committee is established to advise the division of
12 tourism and to coordinate the activities of state agencies that affect
13 tourism.

14 (c) The committee shall

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

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

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

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

28 (d) The committee may hold formal or informal meetings concerned
29 with the responsibilities assigned under this section and with other

1 associated responsibilities. The committee may appoint subcommittees
2 and may consider topics at meetings with less than the entire member-
3 ship of the committee present.

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

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

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

27 Sec. 44.33.135. GRANTS FOR PROMOTION OR DEVELOPMENT OF VISITOR
28 TRAVEL. (a) A municipality, a nonprofit corporation formed under
29 AS 10.20, or a bona fide nonprofit civic, fraternal, or service

1 organization may receive, as a grant, matching money from the state
2 for up to 50 percent of the costs of a program or project that the
3 director of tourism determines is consistent with the purposes of
4 AS 44.33.119 and is likely to promote or develop visitor travel,
5 including

- 6 (1) the promotion of conventions;
- 7 (2) the construction, improvement, or operation of visitor
8 destination facilities and tourist attractions; and
- 9 (3) the development and preservation of attractions of
10 historical, contemporary, recreational, or cultural interest.

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

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

14 ARTICLE 10. ALASKA TOURISM MARKETING COUNCIL.

15 Sec. 44.33.700. ALASKA TOURISM MARKETING COUNCIL ESTABLISHED.

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

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

28 (b) If the commissioner determines that it is in the best
29 interests of the state to promote the state as a destination through

1 the cooperative marketing program, the commissioner shall contract
2 with a single qualified trade association to jointly manage the coun-
3 cil if the trade association agrees that, before the end of each
4 fiscal year that the contract covers, the association will contribute
5 at least 15 percent of the total operating expenses of the council for
6 that fiscal year. The term of a contract under this section may not
7 exceed two years.

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

12 (1) a board member shall

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

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

16 (C) be an officer or a senior staff member of a local
17 government or nonprofit enterprise established to promote the
18 visitor industry; or

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

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

28 (3) the governor shall appoint 10 board members; each board
29 member appointed by the governor serves at the pleasure of the

1 governor; in making appointments to the board under this paragraph,
2 the governor shall ensure that the board, including members selected
3 under (2) of this subsection, is broadly representative of the differ-
4 ent regions of the state and the various sectors of the visitor indus-
5 try;

6 (4) eleven members of the board constitute a quorum for the
7 transaction of business and the exercise of the powers and duties of
8 the board, and any action by the board requires 11 affirmative votes;

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

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

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

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

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

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

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

3 Sec. 44.33.720. EMPLOYEES. The board of directors of the coun-
4 cil may employ and determine the salary of the staff of the council,
5 which may include an executive director and no more than two other
6 employees. The executive director and the employees of the council
7 shall be paid salaries that are comparable to salaries paid to employ-
8 ees of the state. If there is no executive director, the staff of the
9 council is supervised by the presiding officer of the board.

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

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

1 the administrative functioning of the council;

2 (10) appoint committees comprised of board and nonboard
3 members; the presiding officer of each committee shall be a board
4 member;

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

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

10 (13) provide space to a qualified trade association in
11 publications and promotional materials developed by the council if the
12 trade association has contracted with the department under AS 44.33.-
13 710(b) and pays its pro rata share of the production costs for the
14 publication or promotional material; payment under this paragraph is
15 not part of the association's required contribution under AS 44.33.-
16 710(b).

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

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

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

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

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

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

29 (5) annually submit a proposed operating budget to the

1 director, to be used by the Department of Commerce and Economic Devel-
2 opment to prepare and submit the operating budget of the council under
3 AS 44.33.750;

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

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

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

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

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

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

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

25 (1) "board" means the board of directors of the Alaska
26 Tourism Marketing Council;

27 (2) "commissioner" means the commissioner of commerce and
28 economic development;

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

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

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

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

11 (15) Alaska Tourism Marketing Council (AS 44.33.700) --
12 June 30, 1993;

13 (16) Tourism Coordinating Committee (AS 44.33.122) --
14 June 30, 1993.

15 * Sec. 11. AS 44.33.130, 44.33.140, 44.33.145, 44.33.150, 44.33.160,
16 44.33.170, and 44.33.180 are repealed.

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

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

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

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

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

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