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STATE OF ALASKA  
THE LEGISLATURE

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907 465 3800

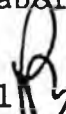
LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 2, 1988

SUBJECT: Tourism  
(CSSB 478(L&C))

TO: Senator Tim Kelly  
Chairman, Senate Labor and Commerce Committee

FROM: Richard A. Bradley  
Legislative Counsel 

John Ringstad has requested a committee substitute. Some comments may be useful.

The request that the executive director of the ATMC be subject to AS 39.50 was not dealt with as suggested, but rather by amending the definition of "public official" at AS 39.-50.200(a)(8). See bill section 3. You will note that while directors of divisions file statements, executive directors do not. I assume that that situation is a result more of accident than logic, but it seemed better to put the amendment within AS 39.50 than simply the law regulating ATMC itself.

If I may be of further assistance, please advise.

Enclosure

RAB:bb  
wkb3/066

amendments to SB 478 to be included in the CS:

1) P6 L1 insert "who may be removed by the governor upon his written justification for the removal to the board."

2) P6 L7 delete "and AS39.52"

3) P7 L10 delete "and are subject to AS39.52"

4) P7 L10 insert "The exective director is subject to AS39.50"

5) P8 L10-14<sup>3</sup> rewrite to say "provide space in publications and promotional materials or grant distribution rights of mailing lists developed by the council pursuant to rules adopted by the department; *PAYMENTS UNDER THIS ...*"

*GIVEN TO D. B. BAZOLEX 3/1/88*

Proposed amendment to CSSB 478

AS 44.33.120 (d) add a new paragraph

Each contract or grant issued under AS 44.33.700 - 780 shall be signed by the Director of Tourism.

GIVEN TO D. BRADLEY 3/2 AM.

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y STATE CAPITOL  
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907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 3, 1988

SUBJECT: Alaska tourism promotion and development  
[CSSB 478 (L&C) (3/2/88 draft)]

TO: Senator Tim Kelly

FROM: Richard A. Bradley  
Legislative Counsel *RB*

You have requested a sectional analysis of the above described bill.

As a preliminary matter, please note that a sectional analysis of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents.

Section 1 of the bill establishes findings and purpose for the legislation.

Section 2 of the bill amends AS 39.25.110 by adding a new paragraph (25). The amendment puts the executive director and staff of the Council established in Section 7 of the bill into the exempt personnel service.

Section 3 of the bill amends AS 39.50.200(a)(8). The amendment requires the executive director of the Council to file conflict of interest disclosure statements under AS 39.50.

Section 4 of the bill amends AS 39.50.200(b). The amendment requires the members of the council to file conflict of interest disclosure statements under AS 39.50.

Section 5 amends AS 44.33.120, a section establishing the division of tourism.

Sec. 44.33.120(a) is amended to authorize the appointment of the director of tourism; existing law did not affirmatively have such a statement.

Sec. 44.33.120(b) now provides a number of duties for the division of tourism. The amendment makes some of the duties mandatory and others permissive.

Sec. 44.33.120(c) directs the commissioner of administration to account separately for existing program receipts in specified areas; it also requires separate accounting for receipts from "advertising space."

Section 6 of the bill adds a new Sec. 44.33.135. The section relates to "grants for promotion or development of visitor travel."

Section 7 of the bill adds new sections relating to the Alaska Tourism Marketing Council.

Sec. 44.33.700 establishes the council as a public corporation of the state.

Sec. 44.33.710 relates to the management of the Council.

Sec. 44.33.710(a) establishes a three person board composed of state officers to manage the council unless the commissioner contracts with a "qualified trade association" for its management under (b) of the section.

Sec. 44.33.710(b) directs the commissioner of commerce and economic development to contract with a "qualified trade association" unless the commissioner makes a determination that the contract would not be in the best interests of the state. As a condition of the contract, the council is required to provide "at least 15 percent" of the operating expenses of the council "before the end of each fiscal year". A contract under the section may not be for more than two years.

Sec. 44.33.710(c) establishes the governing board for the council if the commissioner contracts under (b) of the section. A number of provisions for the structure of the board are established, among which are:

(1) The board consists of 21 members (10 selected by the trade association, 10 appointed by the governor for three year terms, and the director of tourism as presiding officer);

(2) Broad qualifications for membership are established;

(3) Eleven members constitute a quorum and eleven affirmative votes are required for action by the board;

(4) Proxy votes are prohibited; the tourism director does not vote except to break a tie;

(5) Meetings, officers, vacancies, and travel and per diem are also dealt with.

Sec. 44.33.710(d) provides that a contract entered into by the council is not effective until signed by the director.

Sec. 44.33.720 relates to employees of the council. It permits the board to determine the salary of the staff of the council including an executive director; if the council does not appoint an executive director, the director (presiding officer of the board) also serves as the executive director.

Sec. 44.33.730(a) establishes the powers of the board. The powers are essentially "formal."

Sec. 44.33.730(b) provides that the board may not use funds appropriated by the legislature to employ a lobbyist.

Sec. 44.33.740(a) establishes the duties of the council. Among its duties is the establishment of a tourism marketing program, the promotion of tourism, preparation of a budget for the director, and similar tasks.

Sec. 44.33.740(b) provides that the council may not favor any particular tourism business in its functions.

Sec. 44.33.750 provides that the budget of the council is subject to the Executive Budget Act, AS 37.07.

Sec. 44.33.760 requires separate accounting of funds received by the council.

Sec. 44.33.780 establishes definitions.

Section 8 of the bill establishes a June 30, 1993 "sunset" date.

Section 9 of the bill establishes repealers.

Section 10 establishes the initial terms for members of the council appointed by the governor.

Senator Tim Kelly  
Page 4  
March 3, 1988

Section 11 of the bill provides for a July 1, 1983 effective date.

If I may be of further assistance, please advise.

RAB:gc  
WKG2:21

1 IN THE SENATE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2

SENATE BILL NO. 478

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 Alaska, 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 such a  
14 cooperative effort would inure to the benefit of the visitor industry in  
15 Alaska, and that some of the costs of maintaining such an effort should be  
16 borne by the industry.

17 \* Sec. 2. PURPOSES. The purposes of this Act are to

18 (1) encourage the expansion and growth of the Alaska visi-  
19 tor industry for the benefit of the Alaska economy

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

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

26 (4) provide a mechanism to promote new markets by encourag-  
27 ing the development of pilot projects to test new marketing oppor-  
28 tunities; and

29 (5) promote cooperation in the visitor industry by

1 encouraging membership in a trade association that practices nondis-  
2 criminatory promotion and development of all aspects of the Alaska  
3 visitor industry.

4 \* Sec. 3. AS 39.25.110 is amended by adding a new paragraph to read:

5 (25) the executive director and other staff of the Alaska  
6 Tourism Marketing Council.

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

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

9 \* Sec. 5. 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.

13 (b) The Alaska division of tourism shall

14 (1) cooperate with the tourism marketing council and orga-  
15 nzations in the private sector for the promotion and development of  
16 tourism and conventions into and within Alaska;

17 (2) coordinate with municipal, state, and federal agencies  
18 for the development and promotion of tourism resources and conventions  
19 in Alaska;

20 (3) administer any program of the state in which the state  
21 provides matching money for municipalities or nonprofit organizations  
22 to undertake the promotion and development of visitor travel to and in  
23 the state; and

24 (4) review and approve the procurement documents and proce-  
25 dures of the tourism marketing council to assure compliance with  
26 applicable statutes and regulations.

27 (c) The Alaska division of tourism may

28 (1) promote and develop the Alaska tourist and convention  
29 industry by publicizing state attractions through such means as

1 display advertising in magazines and newspapers, advertising on radio  
2 and television or other advertising media, publishing pamphlets,  
3 brochures and other graphic and pictorial materials, or by aiding and  
4 assisting representatives of the media, to insure greater coverage of  
5 Alaska's visitor attractions;

6 (2) [(4)] participate in travel shows;

7 (3) [(5)] increase the awareness of the citizens of the  
8 state at the statewide, regional and community level of the economic  
9 importance of the tourist industry;

10 (4) [(6)] assist potential investors in creating new tour-  
11 ist facilities;

12 [(7) ADMINISTER ANY PROGRAM OF THE STATE IN WHICH THE STATE  
13 PROVIDES MATCHING FUNDS FOR POLITICAL SUBDIVISIONS OR NONPROFIT ORGA-  
14 NIZATIONS THAT UNDERTAKE THE PROMOTION AND DEVELOPMENT OF TOURISM;]

15 (5) [(8)] administer visitor information centers [WHICH  
16 PARTICIPATE IN STATE FUNDS];

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

19 (7) analyze the effect on the Alaska visitor industry of  
20 state land and resource development projects;

21 (8) organize, administer, and evaluate demonstration pro-  
22 jects for the promotion of the Alaska visitor industry and the develop-  
23 ment of new tourism destination markets, and

24 (9) administer grants under AS 44.33.135.

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

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

5 Sec. 44.33.135. GRANTS FOR PROMOTION OR DEVELOPMENT OF VISITOR  
6 TRAVEL. (a) A municipality, a nonprofit corporation formed under  
7 AS 10.20, or a bona fide nonprofit civic, fraternal, or service orga-  
8 nization is eligible to receive, as a grant, matching money from the  
9 state for up to 50 percent of the costs of a program or project that  
10 the director of tourism determines is likely to promote or develop  
11 visitor travel, including the promotion of conventions; the con-  
12 struction, improvement, or operation of visitor destination facilities  
13 and tourist attractions; and the development and preservation of at-  
14 tractions of historical, contemporary, or cultural interest.

15 (b) The Department of Commerce and Economic Development shall  
16 adopt regulations to carry out the provisions of this section.

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

18 ARTICLE 10. ALASKA TOURISM MARKETING COUNCIL.

19 Sec. 44.33.700. ALASKA TOURISM MARKETING COUNCIL ESTABLISHED.  
20 There is established the Alaska Tourism Marketing Council. The coun-  
21 cil is a public corporation of the state. It is an instrumentality of  
22 the state in the Department of Commerce and Economic Development, but  
23 has a legal existence independent of and separate from the state.  
24 Exercise by the council of the powers conferred by AS 44.33.700 --  
25 44.33.780 is an essential governmental function of the state.

26 Sec. 44.33.710. MANAGEMENT OF COUNCIL. (a) Unless the depart-  
27 ment contracts with a qualified trade association under (b) of this  
28 section, the governing body of the council is a board of directors  
29 consisting of the director of the division of tourism, the com-

1           missioner of commerce and economic development, and the commissioner  
2           of another principal executive department designated by the governor.

3           (b) The department shall, unless the commissioner of commerce  
4           and economic development determines that it would not be in the best  
5           interests of the state, contract with a single qualified trade asso-  
6           ciation to jointly manage the council, if the trade association agrees  
7           that, before the end of each fiscal year that the contract covers, the  
8           association will contribute at least 15 percent of the total operating  
9           expenses of the council for that fiscal year. The term of a contract  
10          under this subsection may<sup>NOT</sup> exceed ~~one~~<sup>2</sup>-year<sup>s</sup>.

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

15               (1) a board member must be substantially involved in a  
16               visitor industry business, have [academic] training in a field such as  
17               marketing, be an officer or a senior staff member of a local govern-  
18               ment or nonprofit enterprise established to promote the visitor indus-  
19               try, or have previous business or government experience that would  
20               materially enhance the member's ability to contribute to the planning,  
21               execution, or evaluation of a visitor industry promotional marketing  
22               campaign;

23               (2) the contract must provide that the trade association  
24               may select up to 10 board members; *SUBJECT TO BOARD'S DISCRETION*

25               (3) the director of the division of tourism is a board  
26               member;

27               (4) all board members [other than those identified in (2)  
28               and (3) of this subsection] must be appointed by, and [ ] serve at the  
29               pleasure of, the governor;

THSSE MUST BE 11 AFFIRMATIVE VOTES  
TO APPROVE ANYTHING

1 (5) 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; board members may not participate, or vote, by proxy;

4 (6) the director of the division of tourism, or the direc-  
5 tor's designee, shall serve as chairperson of the board; the director  
6 may waive the right to chair the board and may delegate to it the  
7 selection of the chairperson from among the members appointed by the  
8 governor;

9 (7) the chairperson is a nonvoting member of the board,  
10 except that in the case of a tie on any vote of the board, the chair-  
11 person may then vote;

12 (8) the board shall meet at least four times a year; meet-  
13 ings of the board occur at the call of the chairperson, or upon the  
14 written request of seven members of the board;

15 (9) the board shall annually elect other necessary officers  
16 from among its members;

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

20 (11) a person appointed or selected to fill a vacancy on  
21 the board holds office for the balance of the term for which that  
22 person's predecessor on the board was appointed or selected;

23 (12) a vacancy on the board occurring other than by ex-  
24 piration of term must be filled in the same manner as the original  
25 appointment or selection; and

26 (13) board members receive no salary for serving in that  
27 position, but are entitled to per diem and travel expenses authorized  
28 by law for other state boards and commissions under AS 39.20.180,  
29 except that they are entitled to expenses for travel only for the

NO  
STATS  
TRAVEL

1 percentage of total travel that occurs within the state; the contract  
2 must provide that the trade association will reimburse the council for  
3 per diem and travel expenses paid to those board members selected by  
4 the trade association; reimbursement under this paragraph is not part  
5 of the association's required contribution under (b) of this section.

6 Sec. 44.33.720. EMPLOYEES. The board of directors of the council  
7 may employ and determine the salary of the staff of the council,  
8 which may include an executive director. If there is no executive  
9 director, the staff of the council is supervised by the chairman of  
10 the board. All employees of the council are in the exempt service  
11 under AS 39.25.

12 Sec. 44.33.730. POWERS OF THE BOARD. In carrying out the duties  
13 of the council, the board may

- 14 (1) adopt, alter, and use a corporate seal;  
15 (2) prescribe, adopt, amend, and repeal bylaws;  
16 (3) sue and be sued in the name of the council;  
17 (4) enter into any agreements necessary to perform its  
18 functions;  
19 (5) cooperate with a public or private board, organization,  
20 or agency engaged in work or activities similar to the work or activ-  
21 ities of the council, including entering into contracts for joint  
22 programs of tourism advertising and marketing;  
23 (6) receive contributions of money from persons;  
24 (7) establish offices in the state and otherwise incur ex-  
25 penses incidental to the performance of its duties;  
26 (8) appear on behalf of the council before boards, com-  
27 missions, departments, or other agencies of municipal, state, or fed-  
28 eral government;

29 (9) acquire, hold, lease, sell, or otherwise dispose of

1 property, as necessary to the operations of the council;

2 (10) appoint committees comprised of board and non-board  
3 members; the chairperson of such a committee must be a board member;

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

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

9 (13) provide space in publications and promotional materials  
10 developed by the council to a qualified trade association that has  
11 contracted with the department under AS 44.33.710(b), if the trade  
12 association pays its pro rata share of production costs for the publi-  
13 cation or promotional material; payment under this paragraph is not  
14 part of the association's required contribution under AS 44.33.710(b).

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

16 (1) conduct a tourism marketing program designed to accom-  
17 plish the purposes of this chapter;

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

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

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

26 (5) annually submit a proposed operating budget to the  
27 director of the division of tourism, to be used by the Department of  
28 Commerce and Economic Development to prepare and submit the operating  
29 budget of the council under AS 44.33.750.

1 (b) In performing its functions under this chapter, the council  
2 may not favor any particular tourism business entity or other person.

3 Sec. 44.33.750. EXECUTIVE BUDGET ACT. The operating budget of  
4 the council must be prepared and submitted in accordance with the  
5 Executive Budget Act (AS 37.07).

6 Sec. 44.33.760. ACCOUNTING AND DISPOSITION OF RECEIPTS. (a)  
7 The tourism marketing council account is established as a separate  
8 account in the general fund.

9 (b) The commissioner of administration shall, in the tourism  
10 marketing council account, separately account for fees and other  
11 receipts collected by the council under AS 44.33.710(c)(13) and  
12 44.33.730(12) and (13), and the contributions paid by a trade asso-  
13 ciation under AS 44.33.710(b), that are deposited in the general fund.  
14 The annual estimated balance in the account may be used by the legis-  
15 lature to make appropriations to the council to finance its op-  
16 erations.

17 Sec. 44.33.780. DEFINITIONS. In AS 44.33.700 -- 44.33.780,

18 (1) "board" means the board of directors of the Alaska  
19 Tourism Marketing Council;

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

21 (3) "department" means the Department of Commerce and Econ-  
22 omic Development; and

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

1       \* Sec. 8. AS 44.33.130, 44.33.140, 44.33.145, 44.33.150, 44.33.160,  
2 44.33.170, and 44.33.180 are repealed.

3       \* Sec. 9. If the Department of Commerce and Economic Development con-  
4 tracts with a qualified trade association under AS 44.33.710(b), enacted in  
5 sec. 7 of this Act, initial appointments by the governor to the board of  
6 directors of the Alaska Tourism Marketing Council under AS 44.33.710(c)(4),  
7 enacted in sec. 7 of this Act, must be made for the following terms:

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

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

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

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

Original sponsor: Rules/Governor

1 IN THE SENATE

BY THE LABOR AND  
COMMERCE COMMITTEE

2 CS FOR SENATE BILL NO. 478 (L&C)

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) [(3)] 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(22) 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 and each  
18 board member appointed by the governor serves at the pleasure of the  
19 governor;

20 (4) each board member selected under (2) of this section or  
21 appointed under (3) of this section is subject to AS 39.50;

22 (5) eleven members of the board constitute a quorum for the  
23 transaction of business and the exercise of the powers and duties of  
24 the board, and any action by the board requires 11 affirmative votes;

25 (6) the director serves as presiding officer of the board  
26 and may not vote except in the case of a tie;

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

28 (8) the board shall meet at least four times a year at the  
29 call of the presiding officer or upon the written request of seven

1 members of the board;

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

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

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

9 (12) board members receive no salary for serving in that  
10 position, but are entitled to per diem and travel expenses under  
11 AS 39.20.120, except that they are entitled to per diem and travel  
12 expenses for travel only for the percentage of total travel that  
13 occurs within the state; the contract must provide that the trade  
14 association will reimburse the council for per diem and travel ex-  
15 penses paid to those board members appointed by the trade association  
16 and reimbursement under this paragraph does not qualify as a part of  
17 the association's required contribution under (b) of this section.

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

20 Sec. 44.33.720. EMPLOYEES. The board of directors of the coun-  
21 cil may employ and determine the salary of the staff of the council,  
22 which may include an executive director. If there is no executive  
23 director, the staff of the council is supervised by the presiding  
24 officer of the board. All employees of the council are in the exempt  
25 service under AS 39.25.

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

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

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

(6) receive contributions of money;

(7) establish offices in the state and otherwise incur expenses incidental to the performance of its duties;

(8) appear on behalf of the council before boards, commissions, departments, or other agencies of municipal, state, or federal government except as provided under (b) of this section;

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

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

(11) prepare and implement plans for the promotion of tourism to and inside the state;

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

(13) provide space in publications and promotional materials or grant distribution rights to mailing lists developed by the council under regulations adopted by the commissioner.

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

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

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

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

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

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

11 (5) annually submit a proposed operating budget to the  
12 director, to be used by the Department of Commerce and Economic  
13 Development to prepare and submit the operating budget of the council  
14 under AS 44.33.750; and

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

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

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

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

28 (b) The commissioner of administration shall separately account  
29 for all receipts deposited in the general fund under (a) of this

section. The annual estimated balance in the account may be used by the legislature to make appropriations to the council to carry out its purposes under AS 44.33.700 - 44.33.780.

Sec. 44.33.780. DEFINITIONS. In AS 44.33.700 - 44.33.780

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

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

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

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

(5) "qualified trade association" means a private, nonprofit organization whose primary purpose is the promotion of tourism to and within the state and which has a statewide membership comprised of representatives of all major sectors of the visitor industry, including without limitation hotels, airlines, cruise lines, wholesale and retail travel agencies, visitor attractions, and convention and visitors bureaus.

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

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

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

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

(1) Four members shall serve for one year;

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

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

3 \* Sec. 11. This Act takes effect July 1, 1928.  
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Original sponsor: Rules/Governor

1 IN THE SENATE

BY THE LABOR AND  
COMMERCE COMMITTEE

2 CS FOR SENATE BILL NO. 478 (L&C)

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 X (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 depart-  
13 ment 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 and each  
18 board member appointed by the governor serves at the pleasure of the  
19 governor;

20 (4) each board member selected under (2) of this section or  
21 appointed under (3) of this section is subject to AS 39.50; [REDACTED]

22 (5) eleven members of the board constitute a quorum for the  
23 transaction of business and the exercise of the powers and duties of  
24 the board, and any action by the board requires 11 affirmative votes;

25 (6) the director of tourism serves as presiding officer of  
26 the board and may not vote except in the case of a tie;

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

28 (8) the board shall meet at least four times a year at the  
29 call of the presiding officer or upon the written request of seven

1 members of the board;

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

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

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

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

18 (d) A contract <sup>GRANT</sup> entered into by the council is not effective  
19 until ~~approved~~ by the director. <sup>or DIVISION OF TOURISM</sup> SIGNED

20 Sec. 44.33.720. EMPLOYEES. The board of directors of the coun-  
21 cil may employ and determine the salary of the staff of the council,  
22 which may include an executive director. If there is no executive  
23 director, the staff of the council is supervised by the presiding  
24 officer of the board. All employees of the council are in the exempt  
25 service under AS 39.25. [REDACTED]

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

1 (4) enter into any agreements necessary to perform its  
2 functions;

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

7 (6) receive contributions of money;

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

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

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

16 (10) appoint committees comprised of board and nonboard  
17 members; the presiding officer of each committee shall be a board  
18 member;

19 (11) prepare and implement plans for the promotion of tour-  
20 ism to and inside the state;

21 (12) sell, at fair market value, tourism advertising space  
22 in publications and promotional materials developed by the council;  
23 and

24 (13) provide space in publications and promotional materials  
25 ~~or grant distribution rights in~~ <sup>or</sup> mailing lists developed by the council  
26 under regulations adopted by the commissioner to a qualified trade  
27 association that has contracted with the department under AS 44.33.-  
28 710(b), if the trade association pays its pro rata share of production  
29 costs for the publication or promotional material or reproduction

1 ~~costs of mailing lists~~; payment under this paragraph does not qualify  
2 as a part of the association's required contribution under AS 44.33.-  
3 710(b).

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

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

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

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

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

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

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

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

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

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

Budget Act).

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

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

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

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

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

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

16       (4) "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  
CSSB 478 (L&C)

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.

go0028sL  
Bradley  
2/29/88

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Original sponsor: Rules/Governor

BY THE LABOR AND  
COMMERCE COMMITTEE

1 IN THE SENATE

2 CS FOR SENATE BILL NO. 478 (L&C)

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(b) is amended by adding a new paragraph to read:

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

7 \* Sec. 4. AS 44.33.120 is amended to read:

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

13 (b) The Alaska division of tourism

14 (1) shall

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

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

22 (C) review and approve the procurement documents and  
23 procedures of the tourism marketing council to ensure compliance  
24 with applicable laws and regulations;

25 (2) may

26 (A) [(3)] promote and develop the Alaska tourist and  
27 convention industry by publicizing state attractions through such  
28 means as display advertising in magazines and newspapers, ad-  
29 vertising on radio and television or other advertising media,

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

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

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

9 (D) [(6)] assist potential investors in creating new  
10 tourist facilities;

11 (E) [(7)] administer any program of the state in which  
12 the state provides matching funds for municipalities of the state  
13 [POLITICAL SUBDIVISIONS] or nonprofit organizations that under-  
14 take the promotion and development of visitor travel to and in  
15 the state [TOURISM];

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

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

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

22 (I) organize, administer, and evaluate demonstration  
23 projects for the promotion of the Alaska visitor industry and the  
24 development of new tourism destination markets; and

25 (J) administer grants under AS 44.33.135.

26 (c) The commissioner of administration shall separately account  
27 for money that derives from the sale of advertising space, pamphlets,  
28 brochures, and other graphic and pictorial materials under this sec-  
29 tion and AS 44.33.020(28) and that the division of tourism deposits in

1 the general fund. The annual estimated balance in the account may be  
2 used by the legislature to make appropriations to the Department of  
3 Commerce and Economic Development to cover related costs of the divi-  
4 sion of tourism.

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

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

13 (1) the promotion of conventions;

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

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

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

20 \* Sec. 6. AS 44.33 is amended by adding new sections to read:

21 ARTICLE 10. ALASKA TOURISM MARKETING COUNCIL.

22 Sec. 44.33.700. ALASKA TOURISM MARKETING COUNCIL ESTABLISHED.  
23 The Alaska Tourism Marketing Council is established as a public corpo-  
24 ration of the state. It is an instrumentality of the state in the  
25 Department of Commerce and Economic Development, but has a legal  
26 existence independent of and separate from the state. Exercise by the  
27 council of the powers conferred by AS 44.33.700 - 44.33.780 is an  
28 essential governmental function of the state.

29 Sec. 44.33.710. MANAGEMENT OF COUNCIL. (a) Unless the

1 department contracts with a qualified trade association under (b) of  
2 this section, the governing body of the council is a board of direc-  
3 tors consisting of the director of the division of tourism, the com-  
4 missioner of commerce and economic development, and the commissioner  
5 of another principal executive department designated by the governor.

6 (b) Unless the commissioner of commerce and economic development  
7 determines that it would not be in the best interests of the state,  
8 the commissioner shall contract with a single qualified trade asso-  
9 ciation to jointly manage the council if the trade association agrees  
10 that, before the end of each fiscal year that the contract covers, the  
11 association will contribute at least 15 percent of the total operating  
12 expenses of the council for that fiscal year. The term of a contract  
13 under this section may not exceed two years.

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

18 (1) a board member shall

19 (A) be substantially involved in a visitor industry  
20 business;

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

22 (C) be an officer or a senior staff member of a local  
23 government or nonprofit enterprise established to promote the  
24 visitor industry; or

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

29 (2) the contract shall provide that the trade association

1 may <sup>SELECT</sup> nominate to the governor up to 10 board members;

2 (3) the director of the division of tourism is a board  
3 member;

4 ~~X~~ (4) each board member <sup>APPOINTED BY GOV</sup> serves at the pleasure of the gover-  
5 nor and is subject to AS 39.52; <sup>39.52</sup> <sup>CONFLICTS</sup>

6 (5) 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 council requires 11 affirmative  
9 votes;

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

11 ~~+~~ (7) the director of tourism serves as presiding officer of  
12 the board and may vote; <sup>EXCEPT FOR AS</sup>

13 (8) 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 (9) the board shall elect other necessary officers from  
17 among its members annually;

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

21 (11) a person appointed to fill a vacancy on the board holds  
22 office for the balance of the term of the person's predecessor;

23 (12) board members receive no salary for serving in that  
24 position, but are entitled to per diem and travel expenses under  
25 AS 39.20.180, except that they are entitled to per diem and travel  
26 expenses for travel only for the percentage of total travel that  
27 occurs within the state; the contract must provide that the trade  
28 association will reimburse the council for per diem and travel ex-  
29 penses paid to those board members nominated by the trade association

THEY MAY BE REMOVED  
BY THE GOV WITHIN 120  
DAYS WITHOUT JUSTIFICATION  
SUBJECT TO  
39.50

1 and reimbursement under this paragraph does not qualify as a part of  
2 the association's required contribution under (b) of this section.

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. If there is no executive  
6 director, the staff of the council is supervised by the chairman of  
7 the board. All employees of the council are in the exempt service  
8 under AS 39.25 and are subject to AS 39.52.

9 Sec. 44.33.730. POWERS OF THE BOARD. The board may

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

1 member;

2 (11) prepare and implement plans for the promotion of tour-  
3 ism to and inside the state;

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

7 (13) provide space in publications and promotional materials  
8 and grant distribution rights to mailing lists to a qualified trade  
9 association that has contracted with the department under AS 44.33.-  
10 710(b), if the trade association pays its pro rata share of production  
11 costs for the publication or promotional material or reproduction  
12 costs of mailing lists; payment under this paragraph does not qualify  
13 as a part of the association's required contribution under AS 44.33.-  
14 710(b). *no income w/ council money*

15 *X* Sec. 44.33.740. DUTIES OF THE COUNCIL. (a) The council shall

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

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

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

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

26 (5) annually submit a proposed operating budget to the  
27 director of the division of tourism, to be used by the Department of  
28 Commerce and Economic Development to prepare and submit the operating  
29 budget of the council under AS 44.33.750; and

1 (6) 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) "qualified trade association" means a private, nonprof-  
26 it organization whose primary purpose is the promotion of tourism to  
27 and within the state and which has a statewide membership comprised of  
28 representatives of all major sectors of the visitor industry, includ-  
29 ing without limitation hotels, airlines, cruise lines, wholesale and

1 retail travel agencies, visitor attractions, and convention and visi-  
2 tors bureaus.

3 \* Sec. 7. AS 44.33.130, 44.33.140, 44.33.145, 44.33.150, 44.33.160,  
4 44.33.170, and 44.33.180 are repealed.

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

- 10 (1) <sup>4</sup> eight members shall serve for one year;  
11 (2) <sup>3</sup> ~~six~~ members shall serve for two years; and  
12 (3) <sup>3</sup> six members shall serve for three years.

13 \* Sec. 9. This Act takes effect July 1, 1988.  
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SB 478

✓ SUNSET PROVISION INSERTED - 5 YRS  
~~THE TO 4 YRS~~

✓ EMPLOYEES UNDER 17 EXEMPTED FROM ETHIC CONFLICT  
ONLY EX. DIR  
DIR

P 3 ✓ MAILING LIST TO EVERYONE USING IT FOR ALL PROMOTION  
PURSUANT TO RULES BY DEPT

✓ LOBBYING ONLY FOR A LIMITED EMPLOYMENT

TRAVEL - CRED

OUT OF STATE TRAVEL S/L ALLOWED

P. 4 L1 GOV. REMOVAL

✓ ETHICS OUT FOR BOARD

✓ GOV. REMOVAL OF AVA MEMBERS w/  
WRITTEN JUSTIFICATION TO THE BOARD

②  
②

① SSC 9. 454. 66. 010 IS AMWD BY ADDING  
A NEW PARAGRAPH  
(15) ALASKA TOURISM MARKETING COUNCIL -  
JUNE 30, 1993

② MAILING LISTS -  
P 8 L 10 DELETE " GRANT ... LISTS  
INSERT " PURSUANT TO RULES ADOPTED BY  
THE DEPT., GRANT DISTRIBUTION RIGHTS TO  
MAILING LISTS

③ P 8 L 10 ~~DELETE " LANGUAGE BEFORE  
INSERT " TO EMPLOY A LOBBIST "~~

④ P 6 L 1 INSERT " WHO MAY BE REMOVED  
BY THE GOV, UPON HIS WRITTEN JUSTIFICATION  
FOR THE REMOVAL TO THE BOARD. "

⑤ P 7 L 10 AFTER AND, INSERT " EXCEPT FOR  
THOSE EMPLOYEES WHOSE COMPENSATION IS BELOW STEP A  
RANGE B OF THE STATE SALARY SCHEDULE ESTABLISHED  
IN AS 39.27.011(a),

P 7 L 10 DELETE " AND ... 3952 "

~~P 7 L 7 AFTER "DIRECTOR" DELETE "WHO IS"~~

P 7 L 10 ADD NEW SENTENCE " THE EXECUTIVE  
DIRECTOR IS SUBJECT AS 39.50

⑥ P 6 L 7 DELETE " AND 3952 "

amendments to SB 478 to be included in the CS:

1) P6 L1 insert "who may be removed by the governor upon his written justification for the removal to the board."  
*Remove A member*

*STATEMENT*

2) P6 L7 delete "and AS39.52"

3) P7 L10 delete "and are subject to AS39.52"

4) P7 L10 insert "The executive director is subject to AS39.50"

5) P8 L10-14 rewrite to say "provide space in publications and promotional materials or grant distribution rights of mailing lists developed by the council pursuant to rules adopted by the department;

6) P8 L18 delete "to lobby before the legislature or its committees or"

7) P10 L18" insert new section amending AS44.66.010 to include  
(15) Alaska Tourism Marketing council - June 30, 1993."

- CONDOMINIUMS—Cont'd**  
Horizontal property regimes.  
See HORIZONTAL PROPERTY REGIMES.
- CONFESSION OF JUDGMENT.**  
Judgments and decrees.  
See JUDGMENTS AND DECREES.
- CONFESSIONS.**  
Admissions in evidence.  
See ADMISSIONS IN EVIDENCE.  
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See JUDGMENTS AND DECREES.
- CONFIDENTIAL COMMUNICATIONS.**  
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Health care services information.  
See HEALTH AND SOCIAL SERVICES.  
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Standards of conduct.  
Use of confidential information, \$24.60.060.  
Libraries and museums.  
Records and files.  
Confidentiality of library records, \$09.25.140.  
Parole.  
Records and information, \$33.16.170.  
Privileged communications or testimony.  
See PRIVILEGED COMMUNICATIONS OR TESTIMONY.  
Records and files.  
Library records, \$09.25.140.
- CONFLICT OF LAWS.**  
Corporations.  
Consolidation and merger.  
Procedure when surviving or new corporation is governed by laws of another state, \$10.05.411.  
Environmental conservation.  
Hazardous substances.  
Release.  
Control of hazardous substances releases.  
Municipal charters, ordinances or regulations conflicting with provisions of or regulations issued

- CONFLICT OF LAWS—Cont'd**  
Hazardous substances.  
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Municipal ordinance, charter or regulation conflicting with provisions of or regulations issued under chapter, \$46.09.060.  
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Control of inconsistent provisions, \$18.55.940.  
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When nonresident's cause of action barred, \$09.10.220  
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Oil pollution control.  
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Application of existing laws, \$42.40.920.  
Inapplicability of conflicting laws, \$42.40.930.  
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State and federal law, \$36.30.890
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Prohibited financial interest, \$04.11.450.  
Banks and banking.  
Department of commerce.  
See BANKS AND BANKING  
Building authorities.  
Members or employees prohibited from acquiring interest in project or public building, \$18.55.080.  
Capital city development corporation, \$44.07.330.  
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See CREDIT UNIONS.  
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Mines and minerals.  
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Chief school administrator.  
Employment of members of immediate family, \$14.14.14  
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Public officers generally. See within this heading, "Public officers"

- CONFLICTS OF INTEREST—Cont'd**  
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Prohibited pecuniary interest of officials, \$21.69.370.  
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Public officers generally. See within this heading, "Public officers."  
Legislature of Alaska.  
Budget and audit committee.  
Relative auditor, \$24.20.291.  
Department of legislative finance and audit divisions, \$24.20.291.  
Inspector of audit, \$24.20.291.  
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Declaration to candidates for legislature, \$39.50.025.  
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4. Lieutenant governor.  
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Department of natural resources, \$27.05.020.  
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Department of natural resources creating.  
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Disclosure of assets to blind trust, \$24.60.040.  
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Conflicts of interest, \$39.50.200.  
Conflicts of interest.  
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- CONFLICTS OF INTEREST—Cont'd**  
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Child.  
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Commission, \$39.50.200.  
Definitions, \$39.50.200.  
Disclosure requirements. See within this subheading, "Report of financial and business interests."  
Enforcement by private citizens, \$39.50.100.  
Exemptions, \$39.50.035.  
Financial interests.  
Report of financial and business interests. See within this subheading, "Report of financial and business interests."  
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Assistant to the governor.  
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Late filing of reports, \$39.50.135.  
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Willful violation of disclosure requirements, \$39.50.060.  
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**CONFLICTS OF INTEREST—Cont'd****Public officers—Cont'd**

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Public offices commission.

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§39.50.050.

Defined, §39.50.200.

**Public officials.**

Defined, §39.50.200.

Purpose, §39.50.010.

Regulations.

Promulgation, §39.50.050.

Report of financial and business  
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to be included with  
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Commission or board chairman  
or member, §39.50.080.Department, division or deputy  
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§39.50.070.

Filing statement, §39.50.020.

Forms, §39.50.050.

Governor, §39.50.130.

Judicial officers, §39.50.110.

Late filing of reports.

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Legislators, §39.50.120.

**Legislature.**Notification to candidates for  
legislature, §39.50.025.

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Notification to candidates for  
legislature, §39.50.025.**Penalties.**

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39.50.080.Late filing of reports,  
§39.50.135.Publication of copies of reports,  
§39.50.050.

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**CONFLICTS OF INTEREST—Cont'd****Public officers—Cont'd****Trusts.****Blind trusts.**Instrument creating blind trusts  
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Definitions, §42.40.230.

**Rent estate brokers and salesmen,  
§08.88.391.****Regional resource development  
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Board of governors, §30.13.020.

**Schools.****Chief school administrator.**Employment of members of  
immediate family, §14.14.140.**School boards.**Employment of member or former  
member, §14.14.140.**Slum clearance and redevelopment.****Housing authority.**Interest of members or employees  
of authority in project  
prohibited, §18.55.500.**State departments and agencies.**Public officers generally. See within  
this heading, "Public officers."**Surface coal mining, §27.21.050.****CONGRESS.****Absent members, Const U S, art. I,  
§5.****Adjournment.**Constitutional provisions, Const U S,  
art. I, §§5, 7; art. II, §3.**Admiralty, Const U S, art. I, §8.****Age.**Representative in congress.  
Constitutional provisions, Const U S,  
art. I, §2.**Senator.**Constitutional provisions, Const U S,  
art. I, §3.**Alaska-Tennessee plan.**Election of first senators and  
congressmen.See CONSTITUTION OF  
ALASKA.**Aliens.**Eligibility to be representative.  
Const U S, art. I, §2.**Amendments to the constitution.  
Const U S, art. V.****Apportionment of representatives.**

Const U S, art. I, §2; amd. XIV.

**Appropriations, Const U S, art. I, §9.****Army and navy.****ASS—Cont'd****Insolvency.**

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Printing money, Const U S, art. I, §9.

Structure, Const U S, art. I, §§8, 9.

Composition of members, Const U S,  
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Composition of the United States.

**CONSTITUTION OF THE  
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Rights, Const U S, art. I, §8.

Suffrage.

Structure of congress, Const U S, art. I, §5.

**Structure.**

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Structure of congress, Const U S, art. I, §5.

Structure of congress, Const U S, art. I, §5.

Structure of congress, Const U S, art. I, §5.

Structure of congress, Const U S, art. I, §5.

Structure of congress, Const U S, art. I, §5.

Structure of congress, Const U S, art. I, §5.

Structure of congress, Const U S, art. I, §5.

Structure of congress, Const U S, art. I, §5.

Structure of congress, Const U S, art. I, §5.

Structure of congress, Const U S, art. I, §5.

Structure of congress, Const U S, art. I, §5.

Structure of congress, Const U S, art. I, §5.

Structure of congress, Const U S, art. I, §5.

Structure of congress, Const U S, art. I, §5.

Structure of congress, Const U S, art. I, §5.

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Structure of congress, Const U S, art. I, §5.

Structure of congress, Const U S, art. I, §5.

Structure of congress, Const U S, art. I, §5.

Structure of congress, Const U S, art. I, §5.

Structure of congress, Const U S, art. I, §5.

**CONGRESS—Cont'd****Elections—Cont'd**

Vice president.

See VICE PRESIDENT OF THE  
UNITED STATES.**Excises.**

Powers of congress, Const U S, art. I, §8.

**Foreign commerce, Const U S, art. I, §8.****Freedom of speech, Const U S, amd. I.**

Members of congress, Const U S, art. I, §6.

**Holding other office, Const U S, art. I, §6.****House of representatives.**

Absent members, Const U S, art. I, §5.

Adjournment, Const U S, art. I, §§5, 7; art. II, §3.

Apportionment of representatives,  
Const U S, art. I, §2; amd. XIV.

Arrest of members, Const U S, art. I, §6.

Compensation of members, Const U S,  
art. I, §6.**Constitution of Alaska.****Election.**

First election, Const Alas, art. 15, §8.

Terms of office, Const Alas, Ord. No. 2, §5.

**Constitution of the United States.**Constitutional provisions.  
See CONSTITUTION OF THE  
UNITED STATES.

Debate, Const U S, art. I, §6.

Elections, Const U S, art. I, §§2, 4.

Judge of elections, returns and  
qualifications of members,  
Const U S, art. I, §5.President, Const U S, art. II, §1;  
amd. XII.Qualifications of electors, Const U S,  
art. I, §2.Times, places and manner of  
holding, Const U S, art. I, §4.Expulsion of member, Const U S,  
art. I, §5.

Freedom of speech, Const U S, art. I, §6.

Holding other office, Const U S, art. I, §6.

Impeachment, Const U S, art. I, §2.  
Journal, Const U S, art. I, §§5, 7.**Libel and slander.**Privilege of members, Const U S,  
art. I, §6.



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

February 17, 1988

The Honorable Jan Faiks  
President of the Senate  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

Dear Senator Faiks:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill to create the Alaska Tourism Marketing Council as a public corporation in the Department of Commerce and Economic Development. Unless it is determined not to be in the state's best interests, the council will operate as a partnership between private industry and the public sector to jointly finance, plan, and implement the state's generic tourism marketing program. The bill also redefines the role of the division of tourism in the Department of Commerce and Economic Development (DCED). With the council taking over the cooperative marketing program, the division of tourism will be able to concentrate more effectively on the research and development aspects of promoting the visitor industry.

The Alaska Tourism Marketing Council, established in proposed AS 44.33.700 (sec. 7 of the bill), is modeled after the Alaska Seafood Marketing Institute (AS 16.51), which has been so successful in marketing Alaska seafood products. Unless the commissioner of DCED determines that it would not be in the state's best interests, the council will be created by contract between DCED and a qualified trade association that represents all facets of the Alaska visitor industry. At the present time, it is anticipated that this contract will be with the Alaska Visitors Association (AVA). The trade association must contribute at least 15 percent of the operating budget for the council, while appropriations from the state will make up the balance of the council's budget. Proposed AS 44.33.710(b).

If DCED contracts with a qualified trade association, the council will be managed by a 21-member board of directors. The chairman of the board will be the director of the division of tourism; 10 members will be appointed by the governor; and 10 members will be selected by the trade association. Proposed AS 44.33.710(c). The board, which must meet at least four times each year, will employ necessary staff to conduct the day-to-day operations of the council. Proposed AS 44.33.720 (sec. 7 of the bill).

If DCED determines that a contract with a trade association is not in the best interests of the state, the governing body of the council will be the director of the division of tourism, the commissioner of DCED, and another commissioner designated by the governor. Proposed AS 44.33.710(a).

The council's duties are set out in proposed AS 44.33.750. The council's primary duty will be to conduct the Alaska Cooperative Tourism Marketing Program. The council will submit an annual report to the governor and the legislature describing its activities and will also produce a quarterly newsletter or report that will be available for anyone who is interested. Section 7 of the bill.

The bill also establishes a tourism marketing council account as a separate account in the general fund. Proposed AS 44.33.760. All contributions from private industry to the council will be deposited in this account, in order that these amounts may be readily identified. Section 7 of the bill.

Section 3 of the bill amends AS 39.25.110 to add the staff of the council to that section's list of exempt service state employees, as provided in proposed AS 44.33.720 (sec. 7 of the bill).

Section 4 of the bill makes the council subject to AS 39.50 (conflicts of interest), by amending AS 39.50.200(b).

The bill also proposes to redefine the role of the division of tourism. In the past, the division has dedicated most of its energies to tourism marketing. Because these functions will be taken over by the council, the division will be able to concentrate on development. Section 5 of the bill amends the division's duties to include analyzing the effect on the tourism industry of all state land and resource development projects and organizing pilot promotional projects with new marketing ideas. Proposed AS 44.33.120(c)(7) and (8). In addition, the division's duties will include reviewing the council's procurement practices to ensure compliance with state law and conducting research on the effectiveness of the council's marketing program. Proposed AS 44.33.120(b)-(4) and (c)(6).

Finally, the bill modifies the division's existing authority in AS 44.33.140 -- 44.33.180 to make grants for the promotion or development of tourism. Present law authorizes grants to municipalities for the promotion of conventions (AS 44.33.145), and to municipalities and nonprofit orga-

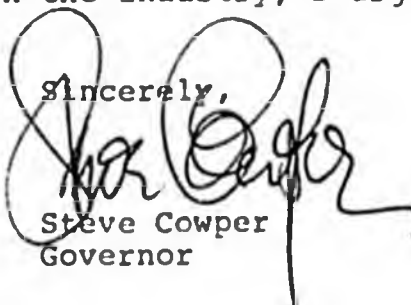
nizations for the construction or operation of visitor information centers (AS 44.33.150) or for the development of tourist attractions of historical or contemporary interest. AS 44.33.170. Existing grant statutes are repealed (sec. 8 of the bill), and the substance of them is reorganized into proposed AS 44.33.135 (sec. 6 of the bill).

Proposed AS 44.33.135 expands this grant-making authority by authorizing the division to make matching money grants, under regulations to be adopted by the department, to municipalities or nonprofit entities for any program or project that is designed to promote or develop Alaska tourism.

AS 44.33.130, the division of tourism's existing authority to contract with private, nonprofit organizations to carry out the division's duties, is also repealed in sec. 8 of the bill.

Passage of this legislation will serve to enhance an extremely important part of Alaska's economy -- the Alaska visitor industry. This legislation was prepared in consultation with, and is strongly supported by, the Alaska visitor industry, and, along with the industry, I urge your support of it.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Cowper", written over the typed name below.

Steve Cowper  
Governor

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_ Agency Affected: Commerce & Econ. Dev.  
 Title: Establish the Alaska Tourism Marketing Council BRU: Alaska Tourism Marketing Council  
 Sponsor: Rules Committee Components: \_\_\_\_\_  
 Requester: Governor

EXPENDITURES / REVENUES : (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	163.9	163.9	163.9	163.9	163.9
TRAVEL	0	61.3	61.3	61.3	61.3	61.3
CONTRACTUAL	0	6,847.9	6,847.9	6,847.9	6,847.9	6,847.9
SUPPLIES	0	3.0	3.0	3.0	3.0	3.0
EQUIPMENT	0	15.0	15.0	15.0	15.0	15.0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	7,091.1	7,091.1	7,091.1	7,091.1	7,091.1

CAPITAL	0	0	0	0	0	0
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REVENUE	0	*1,500.0	1,500.0	1,500.0	1,500.0	1,500.0
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FUNDING: (Thousands of dollars)

GENERAL FUND	0	7,091.1	7,091.1	7,091.1	7,091.1	7,091.1
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	7,091.1	7,091.1	7,091.1	7,091.1	7,091.1

POSITIONS:

FULL-TIME	0	3	3	3	3	3
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary.)

The Alaska Tourism Marketing Council budget is generated strictly from reductions to the Division of Tourism budget. One position with \$10.0 travel and the generic marketing program of \$7,021.5 would be transferred. The Division

(CONTINUED - NEXT PAGE)

Prepared by: Hubert Beilert, Director Phone: 465-2012  
 Division: Tourism Date: \_\_\_\_\_

Approved by Commissioner: J. Anthony Smith Date: 2/12/88  
 Agency: Department of Commerce and Economic Development

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

ANALYSIS: (CONTINUED)

of Tourism would retain an appropriate state presence in overseas targeted markets funded by an allocation of \$490.0 and fundamental research of the efficacy of the marketing program (\$164.0). Should increments be added to the marketing program, an additional allocation would be intended on a pro rata basis to the research budget of the Division of Tourism. The transferred funds are redistributed to account for staffing, start-up expenses and the remainder assigned to contractual to carry out the program.

\*The Division of Tourism has \$1,500.0 authorization based on program receipts from industry contributions and other program receipts in its FY 89 operating budget request. The fiscal note transfers these program receipt funds to the Tourism Marketing Council. The legislation also requires a minimum of 15% industry contribution. Since the general fund contribution transferred to the Tourism Marketing Council is \$5,591.1, the minimum industry contribution would be \$986.7 for a total budget of \$6,577.8. The difference represents contributions that may be made in excess of the minimum as budgeted in the division's FY 89 request.

ALASKA TOURISM MARKETING COUNCIL

FY 89 BUDGET

Personal Services

New	Executive Director	24 A	\$ 71.9	
New	Secretary	10 C	32.4	
Transfer	Development Specialist I	18 J	<u>59.6</u>	
				\$ 163.9

Travel 61.3

Administrative			15.0	
Board - Four meetings per year (Statutorily mandated -- 21 members plus director -- two-day meetings)			46.3	
366 x 4 x 22 =	\$32,208.0			
160 x 22 x 4 =	\$14,080.0			

Contractual 6,847.9

Generic marketing/fulfillment contracts

Supplies 3.0

Equipment 15.0

Total \$7,091.1

KM/dg107950-5  
021188d

2/24

JOHN WILLIAMS - COMMERCE

- TK TOO MANY AYA MEMBERS
- TK IMS \* " S SERVE AT GOV'S PLEASURE
- TK CONTRACTS MAY EXCEED 1YR - DOWN END CONTRACTS
- TK HAVE ACADEMIC TRAINING IN MARKETING
- TK PL - " FOR QUORUM
- ASSUME T/C MEETINGS ARE 2000

\*TK POWERS TO 9 BYY. SOME USE ASMI LANGUAGE

? \*TK LIMIT STAFF - SOMEHOW

\*M PD 220-23 - MANAGEMENT POSITION?

AYC PAPER TUL OR APPE TO THE BOARD

MAYBE  
EXPANDS POWER OF T/C AS BY ADMINISTRATIVE  
MAILING LISTS

- P5 L9 TEAM MAY NOT EXCEED 2YR
- 14 [HAYE ACADEMIC TRAINING]
- 27 [OTHER THAN THOSE IDENTIFIED ...]

PL ✓ ON T/C, - " TO TAKE & QUORUM

OUT OF STATE TRAVEL " P/R DIEM MAY BE  
WRITTEN  
APPROVED BY COMMISSIONER

PUT UNDER CONFLICT OF INTEREST LAW  
ALL CONTRACTS BY COUNCIL MUST BE AUTHORIZED BY COMMISSIONER

SB 478

1) ARE J/C MEETING LEGAL? YES

2) EXECUTIVE BUDGET ACT?

WILL CONTRACTUAL STAFFING SHOW

CAN WE REQUIRE CONTRACT TO BE UNDER 37.07

3) ALL CONTRACTS MUST BE AUTHORIZED IN WRITING  
BY COMMISSIONER

---

/9) LIMIT IN \$ TERMS



# ALASKA VISITORS ASSOCIATION

P.O. BOX 102220  
ANCHORAGE, ALASKA 99510  
(907) 276-6663

Telex: 25-147  
Within Alaska 090-25-147  
Lower US 0305-25-147  
Canada 314-25-147  
International

## 1987-88 EXECUTIVE OFFICERS:

**President**  
GARY ODLE  
Holland America Line-  
Westours, Inc.  
Seattle, Washington

**Vice President/  
Administration**  
TOM DOW  
NANA Development Corp  
Anchorage, Alaska

**Vice President/  
Government Relations**  
ROBERT DINDINGER  
Alaska Travel Adventures  
Juneau, Alaska

**Vice President/  
Marketing**  
RAL T WEST  
Alaska West Associates  
Anchorage, Alaska

**Secretary**  
BOB BERTO  
Southeast Stevedoring  
Corp.  
Ketchikan, Alaska

**Treasurer**  
RAY PEDERSEN  
Princess Tours  
Seattle, Washington

## PAST PRESIDENTS

GEORGE SUNDBORG  
1950

ROBERT E. ELLIS  
1951-1952

EDWARD D. COFFEY  
1952-1955

MARSHALL CRUTCHER  
1955-1956

BEN CRAWFORD  
1956-1957

EVERETT PATTON  
1956-1958

ROBERT A. BAKER  
1958-1959

ROBERT E. ELLIS  
1959-1962

ROBERT GIERSDORF  
1962-1963

E.E. SWOFFORD  
1963-1964

H. JACK MUSIEL  
1964-1966

JAMES JOHNSON  
1966-1967

FRANK DOWNEY  
1967-1968

BILL SHEFFIELD  
1968-1969

JOHN MONROE  
1969-1970

RONALD LATIMORE  
1970-1971

JOHN STEVENS  
1971-1972

LEN LAURANCE  
1972-1973

E. AL PARRISH  
1973-1974

A.E. "BUD" HAGBERG  
1974-1975

CHUCK WEST  
1975-1977

CHARLES CONWAY  
1977-1978

JIM BINKLEY  
1978-1979

MARTHA EDWARDS  
1979-1980

ROLF KLUG  
1980-1981

DAVE PALMER  
1981-1982

CHRIS VON IMHOF  
1982-1983

ROBERT H. BRENNAN  
1983-1984

DENNIS BRANDON  
1984-1985

A.K. "KIRK" LANTERMAN  
1985-1986

JOHN LITTE  
1986-1987

March 4, 1988

Senator Tim Kelly  
Alaska State Senate  
PO Box V (MS 3100)  
Juneau, Alaska 99811

Dear Tim:

Thank you for your thorough and favorable consideration of SB 478 as it was heard in the Senate Labor and Commerce Committee.

In many ways, the bill was improved by the committee substitute. Mostly, however, I appreciate the fact that under your chairmanship the committee focused clearly on the bill and turned it out quickly. The sooner a bill can be passed, the less risk tourism faces of losing the momentum of the program.

The Cooperative Marketing Program has been an undisputed success for eleven years and we feel, along with the administration, that this "formalized" structure will improve a good thing. With luck and the kind of swift attention you gave it, we will have the new structure in place and working shortly after the session closes.

Thank you again for moving us one step closer.

Sincerely,

Dana Brockway  
Executive Director