

SB

350

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 3/31/98

FURTHER: 5/02/98

Date of 5-Day Notice: _____
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 5/02/98

Finance Committee considered SENATE BILL NO. 350

"An Act relating to tourism; relating to grants for tourism marketing; eliminating the division of tourism and the Alaska Tourism Marketing Council; and providing for an effective date."

and recommends:

- be replaced with _____ CS SB 350 (FIN)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to th _____ Committee

Senate Bill:

- same title
- new title
- House Bill:
- same title
- technical title
- new: SCR# _____

SIGNING DO-PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
_____	_____	_____			
<u>Deane Jordey</u>	<input checked="" type="checkbox"/>	<u>_____</u>	<input checked="" type="checkbox"/>		
		<u>_____</u>	<input checked="" type="checkbox"/>		
		<u>_____</u>	<input checked="" type="checkbox"/>		
Co-Chair: <u>Deane</u>	<input checked="" type="checkbox"/>	Co-Chair: _____			
Co-Chair: <u>Bob Wynn</u>	<input checked="" type="checkbox"/>	Co-Chair: _____			

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

Commerce/Tourism	5/1/98	0	

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

5/02/98

**STATE OF ALASKA
1998 LEGISLATIVE SESSION**

BILL NO. CSSB350

Revision Date (Note if correction)	<u>5/1/98</u>	Dept. Affected	<u>Commerce</u>
Title	<u>An Act relating to tourism and tourism marketing;</u>	BRU	<u>Tourism</u>
	<u>eliminating the ATMC</u>	Component	<u>Tourism Development #2278</u>
Sponsor	<u>Senate Finance</u>		<u>AK Tourism Market Coun #1026</u>
Requester	<u>Senate Finance</u>	Component Serial No.	_____

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Personal Services		(206.4)	(206.4)	(206.4)		
Travel		(53.4)	(53.4)	(53.4)		
Contractual		(1,707.6)	(2,207.6)	(2,707.6)		
Supplies						
Equipment						
Land & Structures						
Grants & Claims		(60.0)	(60.0)	(60.0)		
Miscellaneous						
TOTAL OPERATING	0.0	(2,027.4)	(2,527.4)	(3,027.4)	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()		1,000.0				
-------------------------------	--	---------	--	--	--	--

FUND SOURCE

(Thousands of Dollars)

FUND SOURCE	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
1002 Federal Receipts						
1003 GF Match						
1004 GF		(299.3)	(799.3)	(1,299.3)		
1005 GF/Program Receipts		(355.3)	(355.3)	(355.3)		
1037 GF/Mental Health						
Other (Specify Type)		(1,372.8)	(1,372.8)	(1,372.8)		
TOTAL	0.0	(2,027.4)	(2,527.4)	(3,027.4)	0.0	0.0

Estimate of any current year (FY98) cost: _____

POSITIONS

POSITIONS	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Full-time		(3)	(3)	(3)		
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Assumes General Fund reduction as outlined in the Alaska Visitor's Association "New Millenium Plan".

Changes in FY 2000 revenue is as a result of the cancellation of the current AVA contract with the Department of Commerce and Economic Development.

Prepared by Tom Garrett, Director
 Division Tourism Development
 Approved by Commissioner [Signature]
 Agency [Signature]

Phone 465-5472
 Date 5/1/98
 Date 5/1/98

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information, call the Governor's Legislative Office

"The New Millennium Plan"

A Concept for Shaping the Future of Tourism Promotion in Alaska

March 9, 1998

INTRODUCTION

Presented in this document is an industry-led initiative to regain Alaska's competitive position as a visitor destination and to consolidate Alaska's statewide tourism organizations – the Alaska Tourism Marketing Council, Alaska Division of Tourism and the Alaska Visitors Association – into one new, non-profit organization.

These changes are being proposed because Alaska is losing ground compared to other destinations worldwide. The State of Alaska's budget for tourism marketing has declined by 60 percent since 1990 and the growth rate for tourism has declined from 13 percent to 3 percent. At the same time many more Alaskans are looking to the visitor industry for their livelihood. Without a renewed effort to regain our position in the marketplace, the downward trends will continue.

Rather than continue to watch Alaska's marketing decline, the tourism industry has taken a proactive approach in dealing with the problem. Under this proposal, the industry would greatly increase its marketing contribution and the State would continue to provide a core level of funding through an accountable fee-for-services contract with the new non-profit organization. After a phase-in period, the goal is to raise a minimum of \$10 million, with \$6 million coming from the private sector and \$4 million coming from the state. This represents a 25 percent reduction in state general funds and a more than 300 percent increase in private sector funds.

If adopted, this plan would:

- Shift marketing efforts to a private entity that combines the activities of the Alaska Tourism Marketing Council, Alaska Visitors Association and the marketing functions of the Division of Tourism.
- Decrease confusion and eliminate any duplication of efforts among agencies.
- Return Alaska's marketing efforts to a more competitive position.
- Increase private sector funding while decreasing state funding.
- Allow communities the ability to leverage their own marketing dollars with a statewide marketing program.
- Place greater emphasis on funding from cruise companies while reducing the cost of participation for Alaska's smallest businesses.

If the state joins the industry in support of this plan, a transition team with representatives of each existing organization would work to finalize details of the new organization and conduct the election of the first board of directors during FY99. This would begin a three-year funding phase-in period as outlined on page 14 of the plan. If there are questions regarding this plan, please contact the Alaska Visitors Association at 907-561-5733.

SENATE FINANCE
COMMITTEE

Amendment Number: #1

Bill Number: SB 350

Sponsor: Donley Date: 4/16/98

Logged In By: Mindy

4/22/98
moved 1(A) to all "version"
w/o objection, adopted

Proposed amendment to proposed CS for SB350

Amend 1A
Sen Donley move
adopt w/out
objec

Amend AS 44.33.125 by changing "grant" to "contract" throughout the section and amend the procurement code by exempting the tourism marketing contract under AS 44.33.125 from the requirements of the procurement code.

Amend 1B
Sen Donley
move
adopt no
objection

Amend AS 44.33.120 (duties of the Division of Tourism) by adding a new subsection to read:

(c) In the event there is no tourism marketing contract currently in effect between the Department of Commerce and Economic Development and a qualified trade association under AS 44.33.125, the Alaska division of tourism may plan and execute destination tourism marketing campaigns and programs for the promotion of travel to and within the state.

SENATE FINANCE
COMMITTEE
Amendment Number: ?
Bill Number: SB 350
Sponsor: Torgerson Date: 4/27/98
Logged In By: Mindy

0-127GDFETSFA.1
Torgerson
4/22/98

moved by Sen. Torgerson.
Sen. Parnell objected, withdrawn
w/o objection, ADOPTED

A M E N D M E N T

Page 5, LINE 2

CSSB 350 (FIN) \#

BY SENATOR TORGERSON

INSERT (d) Tourism mailing lists sold or leased by the qualified trade association under this section shall be sold or leased ~~without discrimination~~ to any individual or business for the purpose of promoting an Alaskan tourism product or service. The qualified trade association may restrict the subsequent sale or lease of the tourism mailing list by purchasers or lessees.

- #2B Sen Donley move to Amend Amendment ^{delete} without discrimination
Sen. Jagers objection
Adopted 4-3 (Adams, Jagers, Sharp key)
- #2C Sen Parnell move to Amend the Amended #2 (separate sheet)

moved Amend #2C

SENATE AMENDMENT

Sen Parnell
Sen. Ferguson objection
withdrewn
w/o objection,
ADOPTED

By Sen Parnell

To: _____ SENATE BILL No. SB 350

To: _____ HOUSE BILL No. _____

PAGE: LINE:

The purchase or lease price to an individual or business that is not a paid participant in the qualified trade association's marketing program may include an amount that takes into account the

AMOUNT OF THE QUALIFIED TRADE ASSOCIATION'S PARTICIPATION FEE ATTRIBUTABLE TO A MEMBER'S RIGHT OF ACCESS TO THE LISTS.

SENATE FINANCE
COMMITTEE

Amendment Number: 3
Bill Number: SB 350(FIN)-H"
Sponsor: _____ Date: 4/28/98
Logged In By: J. Gallant

0-LS1695VH.1
Cook
4/26/98

A M E N D M E N T

OFFERED IN THE SENATE BY SENATOR
TO: CSSB 350(FIN), Draft Version "H"

1 Page 1, lines 13 - 14:

- 2 Delete "AS 44.33.119 - 44.33.125 [AS 44.33.119 - 44.33.135"
- 3 Insert "AS 44.33.119 - 44.33.135 ["

4 Page 2, line 22, through page 6, line 6:

5 Delete all material and insert:

6 "(b) The Alaska division of tourism shall

7 (1) cooperate with [THE TOURISM MARKETING COUNCIL AND]
8 organizations in the private sector for the promotion and development of tourism
9 [AND CONVENTIONS] into and within the state;

10 (2) coordinate with municipal, state, and federal agencies for the
11 development and promotion of tourism resources and conventions in the state;

12 (3) review and approve the procurement documents and procedures of
13 the tourism marketing council to ensure compliance with applicable laws and
14 regulations;

15 (4) promote and develop the state's tourist and convention industry by
16 any of the following:

17 (A) publicizing state attractions through such means as display
18 advertising in magazines and newspapers, advertising on radio and television
19 or other advertising media, publishing pamphlets, brochures, and other graphic
20 and pictorial materials, or by aiding and assisting representatives of the media
21 [,] to ensure greater coverage of the visitor attractions in the state;

22 (B) participation in travel shows;

23 (C) increasing the awareness of the citizens of the state at the
24 statewide, regional, and community level of the economic importance of the

1 visitor industry;

2 (D) assisting potential investors in creating new visitor
3 facilities;

4 (E) administering programs of the state in which the state
5 provides matching funds for municipalities of the state or nonprofit
6 organizations that undertake the promotion of visitor travel to and the
7 development of visitor amenities in the state;

8 (F) administering visitor information centers;

9 (G) conducting research to evaluate the effectiveness of the
10 tourism marketing [COUNCIL'S MARKETING] programs;

11 (H) analyzing the effect on the state's visitor industry of state
12 land and resource development projects;

13 (I) organizing, administering, and evaluating demonstration
14 projects for the promotion of the state's visitor industry and the development
15 of new tourism destination markets; and

16 (J) administering contracts [GRANTS] under AS 44.33.135.

17 * Sec. 4. AS 44.33.135 is amended to read:

18 **Sec. 44.33.135. Tourism marketing contracts [GRANTS FOR**
19 **PROMOTION OR DEVELOPMENT OF VISITOR TRAVEL].** (a) A
20 municipality, a nonprofit corporation formed under AS 10.20, or a bona fide nonprofit
21 civic, fraternal, [OR] service, or trade organization may **contract with the division**
22 **of tourism and** receive [, AS A GRANT,] matching money from the state for up to
23 **70** [50] percent of the costs of a program or project that the director of tourism
24 determines is consistent with the purposes of AS 44.33.119 and is likely to promote
25 or develop visitor travel, including **publicizing state attractions through such means**
26 **as display advertising in magazines and newspapers, advertising on radio and**
27 **television or other advertising media, publishing pamphlets, brochures, and other**
28 **graphic and pictorial materials, and aiding and assisting representatives of the**
29 **media to ensure greater coverage of the visitor attractions in the state**

30 [(1) THE PROMOTION OF CONVENTIONS;

31 (2) THE CONSTRUCTION, IMPROVEMENT, OR OPERATION OF
32 VISITOR DESTINATION FACILITIES AND TOURIST ATTRACTIONS; AND

1 (3) THE DEVELOPMENT AND PRESERVATION OF
2 ATTRACTIONS OF HISTORICAL, CONTEMPORARY, RECREATIONAL, OR
3 CULTURAL INTEREST].

4 (b) Money from a tourism marketing contract may not be used

5 (1) to lobby a municipality or an agency of a municipality or to
6 lobby the state or an agency of the state as defined in AS 44.99.030(b);

7 (2) to raise funds that will be used to lobby a municipality or an
8 agency of a municipality or to lobby the state or an agency of the state as defined
9 in AS 44.99.030(b); or

10 (3) for administrative or overhead costs associated with any effort
11 to lobby a municipality or an agency of a municipality or to lobby the state or
12 an agency of the state as defined in AS 44.99.030(b).

13 (c) The commissioner of commerce and economic development shall adopt
14 regulations to carry out the provisions of this section.

15 * Sec. 5. AS 44.33.135(a) is amended to read:

16 (a) A municipality, a nonprofit corporation formed under AS 10.20, or a bona
17 fide nonprofit civic, fraternal, service, or trade organization may contract with the
18 division of tourism and receive matching money from the state for up to 60 [70]
19 percent of the costs of a program or project that the director of tourism determines is
20 consistent with the purposes of AS 44.33.119 and is likely to promote or develop
21 visitor travel, including publicizing state attractions through such means as display
22 advertising in magazines and newspapers, advertising on radio and television or other
23 advertising media, publishing pamphlets, brochures, and other graphic and pictorial
24 materials, and aiding and assisting representatives of the media to ensure greater
25 coverage of the visitor attractions in the state."

26 Renumber the following bill sections accordingly.

27 Page 6, line 7:

28 Delete "AS 44.33.135, 44.33.700"

29 Insert "AS 44.33.700"

1 Page 6, line 10:

2 Delete "1 - 5 and 7"

3 Insert "1 - 4 and 6"

4 Page 6, line 11:

5 Delete "6"

6 Insert "5"

JAN 10 1960

SENATE FINANCE
COMMITTEE

Amendment Number: 4
Bill Number: SB 350 (FIN) "H"
Sponsor: _____ Date: 4/24/98
Logged In By: J.oltaru

CS for SENATE BILL NO. 350 (FIN)

An Act relating to tourism and tourism marketing;
eliminating the Alaska Tourism Marketing Council; and
providing for an effective date.

AMENDMENT TO WORK DRAFT VERSION "H" (4/24/98)

Page 1, line 4, insert the following:

* Section 1. AS 36.30.850(b) is amended by adding
a new subparagraph to read:

(38) a contract with a qualified trade
association for tourism marketing under AS
44.33.125.

Renumber remaining sections accordingly.

The purpose of this amendment is to allow the
Department to contract with the qualified trade association
for the new marketing program without going through the
steps required for a sole source contract, as is presently
done for the contract with AVA for the management of the
Alaska Tourism Marketing Council.

SENATE FINANCE
COMMITTEE

Amendment Number: 5
Bill Number: SB 350(FIN) H
Sponsor: _____ Date: 4/28/98
Logged In By: J. Clari

AMENDMENT

OFFERED IN THE SENATE

BY SENATOR

To: CSSB 350(FIN), Draft Version "H"

Page 5, lines 1 through 3:
delete:

[SOLE]

insert:

joint property of the qualified trade association and the division of tourism

(d) A qualified trade association shall provide, on request and at no cost

ORIGINAL

SENATE FINANCE
COMMITTEE

0-LS1695\F:1

Amendment Number: 6 Cook

Bill Number: SB 350 (FIN) H 4/18/98

Sponsor: Torgerson Date: 4/28/98

Logged In By: J. Soltau

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR TORGERSON

TO: CSSB 350(FIN), Draft Version "H" ~~1~~

1 Page 4, line 31, through page 5, line 3:

2 Delete all material and insert:

3 "(c) A qualified trade association may sell the right to use advertising,
4 photographs, film footage, video footage or other materials, or consumer mailing lists,
5 marketing information, or other data produced in connection with a tourism marketing
6 contract. However, the right to use the materials or data must terminate before the
7 date the tourism marketing campaign ends under the terms of the contract. The
8 qualified trade association retains all the revenue it generates in connection with the
9 tourism marketing campaign during the period of performance under the contract.
10 Upon the termination or expiration of the contract, all materials produced and data
11 generated under the contract are the sole property of the state.

12 (d) Upon the termination or expiration of a tourism marketing contract and
13 at other times as requested by the Alaska division of tourism, a qualified trade
14 association shall provide to the Alaska"

0-LS1695H

Cook

4/24/98

CS FOR SENATE BILL NO. 350(FIN)**IN THE LEGISLATURE OF THE STATE OF ALASKA****TWENTIETH LEGISLATURE - SECOND SESSION****BY THE SENATE FINANCE COMMITTEE****Offered:****Referred:****Sponsor(s): SENATE FINANCE COMMITTEE****A BILL****FOR AN ACT ENTITLED**

1 "An Act relating to tourism and tourism marketing; eliminating the Alaska
2 Tourism Marketing Council; and providing for an effective date."

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

4 * Section 1. AS 39.50.200(a)(8) is amended to read:

5 (8) "public official" means a judicial officer, the governor, the
6 lieutenant governor, a person hired or appointed as the head or deputy head of, or
7 director of a division, a department in the executive branch, an assistant to the
8 governor, chair or member of a state commission or board, state investment officers
9 and the state comptroller in the Department of Revenue, [THE EXECUTIVE
10 DIRECTOR OF THE ALASKA TOURISM MARKETING COUNCIL,] and each
11 appointed or elected municipal officer;

12 * Sec. 2. AS 44.33.119 is amended to read:

13 **Sec. 44.33.119. Purposes.** The purposes of AS 44.33.119 - 44.33.125
14 [AS 44.33.119 - 44.33.135 AND AS 44.33.700 - 44.33.735] are to

1 (1) encourage the expansion and growth of the state's visitor industry
2 for the benefit of the citizens of the state;

3 (2) ensure that the economic benefits to be derived from tourism in the
4 state are retained in the state, to the greatest extent possible;

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

7 (4) promote cooperation between the state and private sector in the
8 planning and execution of a [GENERIC] visitor marketing campaign in the public
9 interest;

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

12 (6) ensure that the visitors' experience in the state is and continues to
13 be satisfactory and leads to word-of-mouth advertising and return visits to the state;

14 (7) ensure that consideration is given in the development and
15 implementation of the tour program to local community goals and objectives, to
16 impacts on existing private enterprises, and to impacts on recreational and subsistence
17 opportunities for the residents of the state;

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

21 * Sec. 3. AS 44.33.120(b) is amended to read:

22 (b) The Alaska division of tourism shall

23 (1) cooperate with [THE TOURISM MARKETING COUNCIL AND]
24 organizations in the private sector for the [PROMOTION AND] development of
25 tourism [AND CONVENTIONS] into and within the state;

26 (2) coordinate with municipal, state, and federal agencies for the
27 development [AND PROMOTION] of tourism resources [AND CONVENTIONS] in
28 the state;

29 (3) [REVIEW AND APPROVE THE PROCUREMENT DOCUMENTS
30 AND PROCEDURES OF THE TOURISM MARKETING COUNCIL TO ENSURE
31 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS;

1 (4) PROMOTE AND] develop the state's tourist [AND
2 CONVENTION] industry by any of the following:

3 (A) planning and advocacy for tourism and tourism
4 development in coordination with the private sector, municipalities, state,
5 and federal agencies [PUBLICIZING STATE ATTRACTIONS THROUGH
6 SUCH MEANS AS DISPLAY ADVERTISING IN MAGAZINES AND
7 NEWSPAPERS, ADVERTISING ON RADIO AND TELEVISION OR
8 OTHER ADVERTISING MEDIA, PUBLISHING PAMPHLETS,
9 BROCHURES AND OTHER GRAPHIC AND PICTORIAL MATERIALS, OR
10 BY AIDING AND ASSISTING REPRESENTATIVES OF THE MEDIA, TO
11 ENSURE GREATER COVERAGE OF THE VISITOR ATTRACTIONS IN
12 THE STATE];

13 (B) [PARTICIPATION IN TRAVEL SHOWS;

14 (C)] increasing the awareness of the citizens of the state at the
15 statewide, regional, and community level of the economic importance of the
16 visitor industry;

17 (C) [(D)] assisting potential investors in creating new visitor
18 facilities;

19 (D) [(E)] administering and evaluating the tourism marketing
20 contract program under AS 44.33.125 [PROGRAMS OF THE STATE IN
21 WHICH THE STATE PROVIDES MATCHING FUNDS FOR
22 MUNICIPALITIES OF THE STATE OR NONPROFIT ORGANIZATIONS
23 THAT UNDERTAKE THE PROMOTION OF VISITOR TRAVEL TO AND
24 THE DEVELOPMENT OF VISITOR AMENITIES IN THE STATE;

25 (F) ADMINISTERING VISITOR INFORMATION CENTERS;

26 (G) CONDUCTING RESEARCH TO EVALUATE THE
27 EFFECTIVENESS OF THE TOURISM MARKETING COUNCIL'S
28 MARKETING PROGRAMS]; and

29 (E) [(H)] analyzing the effect on the state's visitor industry of
30 state land and resource development projects [;

31 (I) ORGANIZING, ADMINISTERING, AND EVALUATING

1 DEMONSTRATION PROJECTS FOR THE PROMOTION OF THE STATE'S
2 VISITOR INDUSTRY AND THE DEVELOPMENT OF NEW TOURISM
3 DESTINATION MARKETS; AND

4 (J) ADMINISTERING GRANTS UNDER AS 44.33.135].

5 * Sec. 4. AS 44.33.120 is amended by adding a new subsection to read:

6 (d) If there is no tourism marketing contract awarded under AS 44.33.125 in
7 effect, the Alaska division of tourism may plan and execute destination tourism
8 marketing campaigns and programs for the promotion of travel to and within the state.

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

10 **Sec. 44.33.125. Tourism marketing contracts.** (a) Subject to appropriations
11 for the purpose, the Alaska division of tourism shall, on or before August 1 of each
12 year, contract with a single qualified trade association for the purpose of planning and
13 executing a destination tourism marketing campaign. The contract may be awarded
14 only if the qualified trade association provides matching funds equal to at least 30
15 percent of the costs of the marketing campaign described in the contract. The
16 marketing campaign may include media advertising, establishing and operating a
17 system for responding to visitor inquiries, publishing and distributing information
18 regarding vacation planning, establishing and maintaining Internet sites that provide
19 tourist information, and other marketing activities related to tourism that the division
20 may designate in the contract. The marketing campaign may promote distinct
21 segments of tourism, such as highway tourism, seasonal tourism, ecotourism, cultural
22 tourism, regional tourism, and rural tourism.

23 (b) The marketing campaign conducted under a tourism marketing contract
24 must be directed by a group within the qualified trade association that is broadly
25 representative of the various sectors of the visitor industry in the state and whose
26 members are

27 (1) involved in a visitor industry business and have training in tourism
28 marketing; or

29 (2) officers or senior staff members of a state agency, a local
30 government, or a nonprofit enterprise established to promote the visitor industry.

31 (c) Materials produced and marketing information and tourism related data

1 generated under a tourism marketing contract are the sole property of the qualified
2 trade association.

3 (d) A qualified trade association shall provide, on request, to the Alaska
4 division of tourism materials produced and marketing information and tourism related
5 data generated by the qualified trade association under a tourism marketing contract,
6 but the materials, information, and data provided to the division are not public records
7 under AS 09.25.100 - 09.25.220.

8 (e) A qualified trade association may not use money from a tourism marketing
9 contract

10 (1) to lobby a municipality or an agency of a municipality or to lobby
11 the state or an agency of the state as defined in AS 44.99.030(b);

12 (2) to raise funds that will be used to lobby a municipality or an agency
13 of a municipality or to lobby the state or an agency of the state as defined in
14 AS 44.99.030(b); or

15 (3) for administrative or overhead costs associated with any effort to
16 lobby a municipality or an agency of a municipality or to lobby the state or an agency
17 of the state as defined in AS 44.99.030(b).

18 (f) In this section, "qualified trade association" means a private, nonprofit
19 organization whose primary purposes include the promotion of tourism within the state
20 and encouraging tourists to visit the state and that has a statewide membership
21 consisting of representatives of all major sectors of the visitor industry, including
22 hotels, airlines, cruise lines, wholesale and retail travel agencies, visitor attractions, and
23 convention and visitors bureaus.

24 * **Sec. 6.** AS 44.33.125(a) is amended to read:

25 (a) Subject to appropriations for the purpose, the Alaska division of tourism
26 ^{shall} may, on or before August 1 of each year, contract with a single qualified trade
27 association for the purpose of planning and executing a destination tourism marketing
28 campaign. The contract may be awarded only if the qualified trade association
29 provides matching funds equal to at least 40 [30] percent of the costs of the marketing
30 campaign described in the contract. The marketing campaign may include media
31 advertising, establishing and operating a system for responding to visitor inquiries,

1 publishing and distributing information regarding vacation planning, establishing and
2 maintaining Internet sites that provide tourist information, and other marketing
3 activities related to tourism that the division may designate in the contract. The
4 marketing campaign may promote distinct segments of tourism, such as highway
5 tourism, seasonal tourism, ecotourism, cultural tourism, regional tourism, and rural
6 tourism.

7 * Sec. 7. AS 39.25.110(27); AS 39.50.200(b)(49); AS 44.33.135, 44.33.700, 44.33.705,
8 44.33.710, 44.33.715, 44.33.720, 44.33.723, 44.33.725, 44.33.727, 44.33.730, 44.33.733,
9 44.33.735; AS 44.66.010(a)(15); and AS 44.99.030(a)(14) are repealed.

10 * Sec. 8. Sections 1 - 5 and 7 of this Act take effect July 1, 1999.

11 * Sec. 9. Section 6 of this Act takes effect July 1, 2001.

0-LS1695VF

Cook

4/16/98

CS FOR SENATE BILL NO. 350(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): SENATE FINANCE COMMITTEE

A BILL**FOR AN ACT ENTITLED**

1 "An Act relating to tourism; relating to tourism marketing contracts; eliminating
2 the Alaska Tourism Marketing Council; and providing for an effective date."

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

4 * Section 1. AS 39.50.200(a)(8) is amended to read:

5 (8) "public official" means a judicial officer, the governor, the
6 lieutenant governor, a person hired or appointed as the head or deputy head of, or
7 director of a division, a department in the executive branch, an assistant to the
8 governor, chair or member of a state commission or board, state investment officers
9 and the state comptroller in the Department of Revenue, [THE EXECUTIVE
10 DIRECTOR OF THE ALASKA TOURISM MARKETING COUNCIL,] and each
11 appointed or elected municipal officer;

12 * Sec. 2. AS 44.33.119 is amended to read:

13 Sec. 44.33.119. Purposes. The purposes of AS 44.33.119 - 44.33.125
14 [AS 44.33.119 - 44.33.135 AND AS 44.33.700 - 44.33.735] are to

1 (1) encourage the expansion and growth of the state's visitor industry
2 for the benefit of the citizens of the state;

3 (2) ensure that the economic benefits to be derived from tourism in the
4 state are retained in the state, to the greatest extent possible;

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

7 (4) promote cooperation between the state and private sector in the
8 planning and execution of a [GENERIC] visitor marketing campaign in the public
9 interest;

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

12 (6) ensure that the visitors' experience in the state is and continues to
13 be satisfactory and leads to word-of-mouth advertising and return visits to the state;

14 (7) ensure that consideration is given in the development and
15 implementation of the tourism program to local community goals and objectives, to
16 impacts on existing private enterprises, and to impacts on recreational and subsistence
17 opportunities for the residents of the state;

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

21 * Sec. 3. AS 44.33.120(b) is amended to read:

22 (b) The Alaska division of tourism shall

23 (1) cooperate with [THE TOURISM MARKETING COUNCIL AND]
24 organizations in the private sector for the [PROMOTION AND] development of
25 tourism [AND CONVENTIONS] into and within the state;

26 (2) coordinate with municipal, state, and federal agencies for the
27 development [AND PROMOTION] of tourism resources [AND CONVENTIONS] in
28 the state;

29 (3) [REVIEW AND APPROVE THE PROCUREMENT DOCUMENTS
30 AND PROCEDURES OF THE TOURISM MARKETING COUNCIL TO ENSURE
31 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS;

1 (4) PROMOTE AND] develop the state's tourist [AND
2 CONVENTION] industry by any of the following:

3 (A) planning and advocacy for tourism and tourism
4 development in coordination with the private sector, municipalities, state,
5 and federal agencies [PUBLICIZING STATE ATTRACTIONS THROUGH
6 SUCH MEANS AS DISPLAY ADVERTISING IN MAGAZINES AND
7 NEWSPAPERS, ADVERTISING ON RADIO AND TELEVISION OR
8 OTHER ADVERTISING MEDIA, PUBLISHING PAMPHLETS,
9 BROCHURES AND OTHER GRAPHIC AND PICTORIAL MATERIALS, OR
10 BY AIDING AND ASSISTING REPRESENTATIVES OF THE MEDIA, TO
11 ENSURE GREATER COVERAGE OF THE VISITOR ATTRACTIONS IN
12 THE STATE];

13 (B) [PARTICIPATION IN TRAVEL SHOWS;

14 (C)] increasing the awareness of the citizens of the state at the
15 statewide, regional, and community level of the economic importance of the
16 visitor industry;

17 (C) [(D)] assisting potential investors in creating new visitor
18 facilities;

19 (D) [(E)] administering and evaluating the tourism marketing
20 contract program under AS 44.33.125 [PROGRAMS OF THE STATE IN
21 WHICH THE STATE PROVIDES MATCHING FUNDS FOR
22 MUNICIPALITIES OF THE STATE OR NONPROFIT ORGANIZATIONS
23 THAT UNDERTAKE THE PROMOTION OF VISITOR TRAVEL TO AND
24 THE DEVELOPMENT OF VISITOR AMENITIES IN THE STATE;

25 (F) ADMINISTERING VISITOR INFORMATION CENTERS;

26 (G) CONDUCTING RESEARCH TO EVALUATE THE
27 EFFECTIVENESS OF THE TOURISM MARKETING COUNCIL'S
28 MARKETING PROGRAMS]; and

29 (E) [(H)] analyzing the effect on the state's visitor industry of
30 state land and resource development projects [;

31 (I) ORGANIZING, ADMINISTERING, AND EVALUATING

1 DEMONSTRATION PROJECTS FOR THE PROMOTION OF THE STATE'S
2 VISITOR INDUSTRY AND THE DEVELOPMENT OF NEW TOURISM
3 DESTINATION MARKETS; AND

4 (J) ADMINISTERING GRANTS UNDER AS 44.33.135].

5 * Sec. 4. AS 44.33.120 is amended by adding a new subsection to read:

6 (d) If there is no tourism marketing contract awarded under AS 44.33.125 in
7 effect, the Alaska division of tourism may plan and execute destination tourism
8 marketing campaigns and programs for the promotion of travel to and within the state.

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

10 **Sec. 44.33.125. Tourism marketing contracts.** (a) Subject to appropriations
11 for the purpose, the Alaska division of tourism may, on or before August 1 of each
12 year, contract with a single qualified trade association for the purpose of planning and
13 executing a destination tourism marketing campaign. The contract may be awarded
14 only if the qualified trade association provides matching funds equal to at least 30
15 percent of the costs of the marketing campaign described in the contract. The
16 marketing campaign may include media advertising, establishing and operating a
17 system for responding to visitor inquiries, publishing and distributing information
18 regarding vacation planning, establishing and maintaining Internet sites that provide
19 tourist information, and other marketing activities related to tourism that the division
20 may designate in the contract. The marketing campaign may promote distinct
21 segments of tourism, such as highway tourism, seasonal tourism, ecotourism, cultural
22 tourism, regional tourism, and rural tourism.

23 (b) The marketing campaign conducted under a tourism marketing contract
24 must be directed by a group within the qualified trade association that is broadly
25 representative of the various sectors of the visitor industry in the state and whose
26 members are

27 (1) involved in a visitor industry business and have training in tourism
28 marketing; or

29 (2) officers or senior staff members of a state agency, a local
30 government, or a nonprofit enterprise established to promote the visitor industry.

31 (c) Materials produced and marketing information and tourism related data

1 generated under a tourism marketing contract are the sole property of the qualified
2 trade association.

3 (d) A qualified trade association shall provide, on request, to the Alaska
4 division of tourism materials produced and marketing information and tourism related
5 data generated by the qualified trade association under a tourism marketing contract,
6 but the materials, information, and data provided to the division are not public records
7 under AS 09.25.100 - 09.25.220.

8 (e) A qualified trade association may not use money from a tourism marketing
9 contract

10 (i) to lobby a municipality or an agency of a municipality or to lobby
11 the state or an agency of the state as defined in AS 44.99.030(b);

12 (2) to raise funds that will be used to lobby a municipality or an agency
13 of a municipality or to lobby the state or an agency of the state as defined in
14 AS 44.99.030(b); or

15 (3) for administrative or overhead costs associated with any effort to
16 lobby a municipality or an agency of a municipality or to lobby the state or an agency
17 of the state as defined in AS 44.99.030(b).

18 (f) In this section, "qualified trade association" means a private, nonprofit
19 organization whose primary purposes include the promotion of tourism within the state
20 and encouraging tourists to visit the state and that has a statewide membership
21 consisting of representatives of all major sectors of the visitor industry, including
22 hotels, airlines, cruise lines, wholesale and retail travel agencies, visitor attractions, and
23 convention and visitors bureaus.

24 * Sec. 6. AS 44.33.125(a) is amended to read:

25 (a) Subject to appropriations for the purpose, the Alaska division of tourism
26 may, on or before August 1 of each year, contract with a single qualified trade
27 association for the purpose of planning and executing a destination tourism marketing
28 campaign. The contract may be awarded only if the qualified trade association
29 provides matching funds equal to at least 40 [30] percent of the costs of the marketing
30 campaign described in the contract. The marketing campaign may include media
31 advertising, establishing and operating a system for responding to visitor inquiries,

1 publishing and distributing information regarding vacation planning, establishing and
2 maintaining Internet sites that provide tourist information, and other marketing
3 activities related to tourism that the division may designate in the contract. The
4 marketing campaign may promote distinct segments of tourism, such as highway
5 tourism, seasonal tourism, ecotourism, cultural tourism, regional tourism, and rural
6 tourism.

7 * Sec. 7. AS 39.25.110(27); AS 39.50.200(b)(49); AS 44.33.135, 44.33.700, 44.33.705,
8 44.33.710, 44.33.715, 44.33.720, 44.33.723, 44.33.725, 44.33.727, 44.33.730, 44.33.733,
9 44.33.735; AS 44.66.010(a)(15); and AS 44.99.030(a)(14) are repealed.

10 * Sec. 8. Sections 1 - 5 and 7 of this Act take effect July 1, 1999.

11 * Sec. 9. Section 6 of this Act takes effect July 1, 2001.