

**SB**

**194**

<TARGET><BILL>SB 194</BILL><SUBJECT>SB  
194</SUBJECT><COMM>HFIN28</COMM></TARGET>

# HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: April 15, 2014

FURTHER REFERRALS:

Date of Committee Action: 4.17.14

The FINANCE Committee considered:

CSSB 194(FIN)

HOUSE CS FOR CS FOR SENATE BILL NO. 194(L&C)

"An Act creating the Alaska Tourism Marketing Board; and relating to tourism marketing."

SB 194 TOURISM MARKETING BOARD

Recommends it be replaced with  HCS or  CS for \_\_\_\_\_ (\_\_\_\_\_)

For Senate Bills with new title:  Technical Title  New Title: HCR \_\_\_\_\_  Same Title  New Title

- attach amendments
- add new referral to \_\_\_\_\_ Committee
- Letter of Intent \_\_\_\_\_ Committee

List of Abbrev for Depts.:  
 ADM  
 CED  
 COR  
 CRT  
 EED  
 DEC  
 DFG  
 GOV  
 DHS  
 LWF  
 LAW  
 LEG  
 MVA  
 DNR  
 DPS  
 REV  
 DOT  
 UA

| NEW FISCAL NOTES                         |                  |        |        |      |
|--|------------------|--------|--------|------|
| *FN# is assigned by Chief Clerk's Office |                  |        |        |      |
| *FN#                                     | List by Dept(s): | Fiscal | Indet. | Zero |
|  | CED              |        |        | ✓    |
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| PREVIOUS FISCAL NOTES |                  |        |        |      |
|-----------------------|------------------|--------|--------|------|
| FN#                   | List by Dept(s): | Fiscal | Indet. | Zero |
| 2                     | LEA              |        | ✓      |      |
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| Signing with recommendations | Printed Last Name | DP | DNP | NR | AM |
|------------------------------|-------------------|----|-----|----|----|
|                              | Peter M. Thompson | ✓  |     |    |    |
|                              | Hoimes            | X  |     |    |    |
|                              | Thompson          | ✓  |     |    |    |
|                              | Wade              | ✓  |     |    |    |
|                              | Murray            | ✓  |     |    |    |
|                              | Neena             | ✓  |     |    |    |
|                              | Edgmon            | ✓  |     |    |    |
|                              | COSTELLO          | ✓  |     |    |    |
|                              | T. Wilson         | ✓  |     |    |    |
| Chair:                       | Peter M. Thompson | X  |     |    |    |
| Chair:                       | Austerman         | X  |     |    |    |

# Fiscal Note

State of Alaska  
2014 Legislative Session

Bill Version: SB 194  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: SB194 DCCED-DED-04-17-14  
Title: TOURISM MARKETING BOARD  
Sponsor: MCGUIRE  
Requester: House Finance

Department: Department of Commerce, Community and  
Economic Development  
Appropriation: Economic Development  
Allocation: Economic Development  
OMB Component Number: 2743

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

|                               | FY2015<br>Appropriation<br>Requested | Included in<br>Governor's<br>FY2015<br>Request | Out-Year Cost Estimates |            |            |            |            |            |
|-------------------------------|--------------------------------------|--|-------------------------|------------|------------|------------|------------|------------|
|                               |                                      |  | FY 2015                 | FY 2016    | FY 2017    | FY 2018    | FY 2019    | FY 2020    |
| <b>OPERATING EXPENDITURES</b> |                                      |  |                         |            |            |            |            |            |
| Personal Services             |                                      |  |                         |            |            |            |            |            |
| Travel                        |                                      |  |                         |            |            |            |            |            |
| Services                      |                                      |  |                         |            |            |            |            |            |
| Commodities                   |                                      |  |                         |            |            |            |            |            |
| Capital Outlay                |                                      |  |                         |            |            |            |            |            |
| Grants & Benefits             |                                      |  |                         |            |            |            |            |            |
| Miscellaneous                 |                                      |  |                         |            |            |            |            |            |
| <b>Total Operating</b>        | <b>0.0</b>                           | <b>0.0</b>                                     | <b>0.0</b>              | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

**Fund Source (Operating Only)**

|              |            |            |            |            |            |            |            |
|--------------|------------|------------|------------|------------|------------|------------|------------|
| None         |            |            |            |            |            |            |            |
| <b>Total</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

**Positions**

|           |  |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|--|
| Full-time |  |  |  |  |  |  |  |
| Part-time |  |  |  |  |  |  |  |
| Temporary |  |  |  |  |  |  |  |

|                           |  |  |  |  |  |  |  |
|---------------------------|--|--|--|--|--|--|--|
| <b>Change in Revenues</b> |  |  |  |  |  |  |  |
|---------------------------|--|--|--|--|--|--|--|

**Estimated SUPPLEMENTAL (FY2014) cost:** 0.0 (separate supplemental appropriation required)  
(discuss reasons and fund source(s) in analysis section)

**Estimated CAPITAL (FY2015) cost:** 0.0 (separate capital appropriation required)  
(discuss reasons and fund source(s) in analysis section)

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
If yes, by what date are the regulations to be adopted, amended or repealed?

**Why this fiscal note differs from previous version:**

House Finance zeroed out this fiscal note. Costs for board member travel and meetings will be paid using existing tourism marketing funds.

Prepared By: Co-Chair Representative Austerman  
House Finance Committee  
Co-Chair Representative Stoltze  
House Finance Committee

Phone: (907)465-6258  
Date: 04/17/2014

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2014 LEGISLATIVE SESSION

BILL NO. CSSB194(HL&C)

**Analysis**

The establishment of the Alaska Tourism Marketing Board formalizes and provides structure for cooperation between DCCED and the Alaska Travel Industry Association in the planning and implementation of a tourism marketing program. The Alaska Tourism Marketing Board will be comprised of 18 private sector members, the Commissioner of the Department of Commerce, Community and Economic Development, and one ex officio member from the House and Senate. Private sector members are expected to pay for their own travel, accommodations, and per diem for board meetings.

Total costs are estimated to be \$3.0 per year. This is based on meeting space cost of \$1.5 per meeting for two meetings per year. Travel and per diem for private sector members would not be paid for by the state. Travel for the Commissioner or designee would be absorbed by the existing travel budget. Costs for additional meetings would be paid using existing tourism marketing funds.

# Fiscal Note

State of Alaska  
2014 Legislative Session

Bill Version: HCS CSSB 194(L&C)  
Fiscal Note Number: 2  
(H) Publish Date: 4/15/14

Identifier: SB194-LEG-COU-03-26-14  
Title: TOURISM MARKETING BOARD  
Sponsor: MCGUIRE  
Requester: H L&C

Department: Alaska Legislature  
Appropriation: Legislative Council  
Allocation: Council and Subcommittees  
OMB Component Number: 783

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

|                               | FY2015                  | Included in               | Out-Year Cost Estimates |                |                |                |                |
|-------------------------------|-------------------------|---------------------------|-------------------------|----------------|----------------|----------------|----------------|
|                               | Appropriation Requested | Governor's FY2015 Request | FY 2016                 | FY 2017        | FY 2018        | FY 2019        | FY 2020        |
| <b>OPERATING EXPENDITURES</b> | <b>FY 2015</b>          | <b>FY 2015</b>            | <b>FY 2016</b>          | <b>FY 2017</b> | <b>FY 2018</b> | <b>FY 2019</b> | <b>FY 2020</b> |
| Personal Services             | ***                     |                           | ***                     | ***            | ***            | ***            | ***            |
| Travel                        |                         |                           |                         |                |                |                |                |
| Services                      |                         |                           |                         |                |                |                |                |
| Commodities                   |                         |                           |                         |                |                |                |                |
| Capital Outlay                |                         |                           |                         |                |                |                |                |
| Grants & Benefits             |                         |                           |                         |                |                |                |                |
| Miscellaneous                 |                         |                           |                         |                |                |                |                |
| <b>Total Operating</b>        | ***                     | 0.0                       | ***                     | ***            | ***            | ***            | ***            |

**Fund Source (Operating Only)**

|              |     |     |     |     |     |     |     |
|--------------|-----|-----|-----|-----|-----|-----|-----|
| None         |     |     |     |     |     |     |     |
| <b>Total</b> | *** | 0.0 | *** | *** | *** | *** | *** |

**Positions**

|           |  |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|--|
| Full-time |  |  |  |  |  |  |  |
| Part-time |  |  |  |  |  |  |  |
| Temporary |  |  |  |  |  |  |  |

|                           |  |  |  |  |  |  |  |
|---------------------------|--|--|--|--|--|--|--|
| <b>Change in Revenues</b> |  |  |  |  |  |  |  |
|---------------------------|--|--|--|--|--|--|--|

Estimated SUPPLEMENTAL (FY2014) cost: 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

Estimated CAPITAL (FY2015) cost: 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency?  
If yes, by what date are the regulations to be adopted, amended or repealed?

**Why this fiscal note differs from previous version:**

Initial Version

Prepared By: Jessica Geary, Finance Manager  
Division: Legislative Affairs Agency  
Approved By: Pamela Varni, Executive Director  
Agency: Legislative Affairs Agency

Phone: (907)465-6626  
Date: 03/28/2014 12:20 PM  
Date: 03/28/14

FISCAL NOTE ANALYSIS #2

STATE OF ALASKA  
2014 LEGISLATIVE SESSION

BILL NO. HCS CSSB 194(L&C)

**Analysis**

This legislation creates the Alaska Tourism Marketing Board within the Department of Commerce, Community & Economic Development. The Speaker of the House will appoint one member from the House of Representatives and the Senate President will appoint one member from the Senate to serve as ex officio members of the board. Their costs will not be covered by the Department of Commerce, Community & Economic Development. The sponsor hopes to meet telephonically to keep costs low, but because the anticipated travel costs and the frequency of travel for the two appointed members of the Legislature are unknown, this fiscal note is indeterminate.

# Alaska State Legislature Senate Rules Committee

*Session:*  
State Capitol 103  
Juneau, AK 99801  
Phone: (907) 465-2995  
Fax: (907) 465-6592

**Rules Committee:**  
**Senator McGuire, Chair**  
**Senator Coghill**  
**Senator Huggins**  
**Senator Meyer**  
**Senator Ellis**



*Interim:*  
716 W 4<sup>th</sup> Avenue, Suite 300  
Anchorage, AK 99501-2133  
Phone: (907) 269-0250  
Fax: (907) 269-0249

**Committee on Committees**  
**Rules Committee**  
**Resources Committee**  
**Judiciary Committee**  
**Legislative Council**  
**TAPS Throughput Decline**  
**World Trade and Tourism**

Senator Lesil McGuire, Chairman

## ***Sponsor Statement*** ***Senate Bill 194***

SB 194 creates a structure for marketing by the State of Alaska and develops a funding intent formula that can be supported by the legislature, the administration, and the private sector, so that tourism marketing is professionally led and managed.

The Alaska tourism board would be created in statute and comprised of a minimum of twenty one members. Eighteen of those would be recommended by ATIA, one member of the board from the Department of Commerce, Community and Economic Development, one member would be appointed from the House, and one member appointed from the Senate.

Tourism continues to be a growing, renewable industry that is the second largest employer in the state. Over 1.9 million visitors came to Alaska from October 2012-September 2013 spending over 1.8 billion dollars. This bill is an important step in continuing the growth of one of our most important industries.

# Alaska State Legislature

*Session:*  
State Capitol 103  
Juneau, AK 99801  
Phone: (907) 465-2995  
Fax: (907) 465-6592

**Rules Committee**



*Interim:*  
716 W 4<sup>th</sup> Avenue, Suite 300  
Anchorage, AK 99501-2133  
Phone: (907) 269-0250  
Fax: (907) 269-0249

**Committee on Committees**

## Senator Lesil McGuire

**TO:** Representative Bill Stoltze  
**FROM:** Senator Lesil McGuire  
**DATE:** April 14, 2014  
**SUBJECT:** Explanation of Changes: SB 194

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Version R states on Page 3, line 17 that the Governor may choose from a list of nominees, rather than a list of three nominees.

It also clarifies that the State only pays for the three appointed state members' per diem and travel and not the 18 members brought forward from ATIA.

Version Y had added the names of the regions of the state that are being represented. Those regions are Southeast, Southcentral, Southwest, Interior, and Far North.

This version also changed the quorum from 11 members to 9 being present with at least one member from each region.

A sunset of June 30, 2018 has also been added to version Y of SB 194.

VISIT ANCHORAGE BOARD OF DIRECTORS

RESOLUTION 2014-01

A Resolution in Support of

Creating the Alaska Tourism Marketing Board and Relating to Tourism Marketing

**WHEREAS**, the visitor industry is a major contributor to the economic development and well-being of the community, with a direct correlation between the growth of the industry and the community's economic condition; and

**WHEREAS**, without adequate and stable funding levels and a consistent marketing program, Alaska cannot effectively compete with other U.S. destinations that have increased their financial investment into their own tourism marketing programs; and

**WHEREAS**, maintaining a national and international marketing presence for Alaska as a visitor destination is of the utmost importance to maintain a vital visitor industry and continue economic development; and

**WHEREAS**, tourism annually contributes an estimated \$111.1 million in revenue to the state treasury and \$69.8 million in revenue to local communities throughout Alaska; and

**WHEREAS**, when Alaska is prominently marketed, the funds allocated to local marketing efforts can be leveraged and used more efficiently; and

**WHEREAS**, creating the Alaska Tourism Marketing Board in the Department of Commerce, consisting of 21 members of which 18 must be a member of Alaska Travel Industry Association (ATIA), will represent different regions of the state, segments of the tourism industry, and company sizes; and

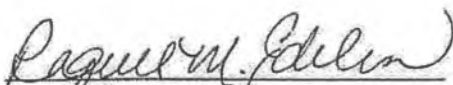
**WHEREAS**, the Department of Commerce will cooperate with the private sector and the Alaska Tourism Marketing Board in the planning and execution of a destination tourism marketing campaign; and

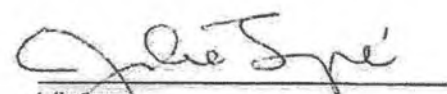
**WHEREAS**, in FY2011, the Alaska Legislature augmented the \$9 million annual appropriation with a one-time \$7 million increase which, when combined with industry contributions of \$2.7 million, has significantly increased awareness of Alaska as a destination and will generate additional visitors and revenues to the state; and

**WHEREAS**, the intent of Alaska Tourism Marketing Board formalizes and defines the relationship of the statewide tourism marketing program within the Alaska Department of Commerce, Community and Economic Development and sets a foundation for future funding solutions;

**NOW THEREFORE BE IT RESOLVED THAT** Visit Anchorage supports the concept of creating the Alaska Tourism Marketing Board and urging the Alaska State Legislature for their support.

**ATTESTED** on this 11<sup>th</sup> day of March, Two-Thousand and Fourteen by:

  
Raquel Edelen  
Chairman for the Board of Directors

  
Julie Saupe  
President & CEO