

ALASKA LEGISLATURE COMMITTEE BILL FILES - 1987 - 1988 8879

SB 478

152 52

SB

478

SENATE COMMITTEE REPORT

FURTHER

3/16/88  
Mr. President:

DATE TURNED INTO OFFICE 4/7/88

Finance Committee considered SB 478

Alaska tourism promotion and development; efd  
and recommended

replace with CS SB 478 (Finance) )  same title  
 or adopt \_\_\_\_\_ )  new title

attached amendment(s) and

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

letter of intent adopted \_\_\_\_\_

Committee  attached or  adopted fiscal note(s)  
 new  updated or  previous  
 zero  fiscal impact

MEMBERS SIGNING DO PASS

~~OTHER RECOMMENDATIONS~~

[Signature]  
Paul [Signature]  
[Signature]  
[Signature]  
[Signature]

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Rick Halford do pass  
Chairman signature and recommendation

Committee Backup attached

FISCAL NOTE

REQUEST: \_\_\_\_\_

Revision Date: \_\_\_\_\_  
Title: Act relating to Alaska  
Tourism Marketing Council  
Sponsor: Rules/Governor  
Requestor: Senate Finance Committee

Agency Affected: Dept. of Commerce  
BRU: Alaska Tourism Marketing  
Council  
Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		0	0	0	0	0

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL		0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

*Rick Halford*

Prepared by: \_\_\_\_\_ Phone: 465-3753  
Division: Senator Rick Halford, Co-chairman Date: 4/7/88  
Senate Finance Committee  
Approved by Commissioner: \_\_\_\_\_ Date: \_\_\_\_\_  
Agency: \_\_\_\_\_

Distribution (by preparer):  
Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

go0028sN ✓  
Bradley  
4/4/88

Original sponsor: Rules/Governor

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 478 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to Alaska tourism promotion and  
7 development; and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. FINDINGS 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) [(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 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; each board  
18 member appointed by the governor serves at the pleasure of the gover-  
19 nor; in making appointments to the board under this paragraph, the  
20 governor shall ensure that the board, including members selected under  
21 (2) of this subsection, is broadly representative of the different  
22 regions of the state;

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

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

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

29 (7) the board shall meet at least four times a year at the

1 call of the presiding officer or upon the written request of seven  
2 members of the board;

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

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

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

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

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

21 Sec. 44.33.720. EMPLOYEES. The board of directors of the coun-  
22 cil may employ and determine the salary of the staff of the council,  
23 which may include an executive director. If there is no executive  
24 director, the staff of the council is supervised by the presiding  
25 officer of the board.

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 relating to  
29 the internal management and operations of the council, including the

1 granting of distribution rights to tourism mailing lists;

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

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

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

9 (6) receive contributions of money;

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

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

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

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

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

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

26 (13) provide space in publications and promotional materials  
27 developed by the council to a qualified trade association that has  
28 contracted with the department under AS 44.33.710(b) if the trade  
29 association pays its pro rata share of production costs for the publi-

1 cation or promotional material; payment under this paragraph is not  
2 part of the association's required contribution under AS 44.33.710(b).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16           (5) "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

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.  
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STATE OF ALASKA  
1988 LEGISLATIVE SESSION

BILL VERSION: CSSB 478 (Fin)  
PUBLISH DATE: \_\_\_\_\_

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: Establish the Alaska Tourism  
Marketing Council  
Sponsor: \_\_\_\_\_  
Requestor: \_\_\_\_\_

Agency Affected: Commerce/Econ Development  
BRU: Tourism  
Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES		(: 59.6)				
TRAVEL		( 10.0)				
CONTRACTUAL		(7021.5)				
SUPPLIES		0				
EQUIPMENT		0				
LAND & STRUCTURES		0				
GRANTS, CLAIMS		0				
MISCELLANEOUS		0				
TOTAL OPERATING		(7091.1)	0	0	0	0
CAPITAL						
REVENUE		(1500.0)				

FUNDING: (Thousands of Dollars)

GENERAL FUND		(5591.1)				
FEDERAL FUNDS						
OTHER PGM REC/GF		(1500.0)				
TOTAL		(7091.1)	0	0	0	0

POSITIONS:

FULL-TIME		1	0	0	0	0
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: \_\_\_\_\_ Phone: \_\_\_\_\_  
Division: \_\_\_\_\_ Date: \_\_\_\_\_

Approved by Commissioner: Senator Rick Halford Date: 4/7/88  
Agency: Senate Finance Committee

Distribution (by preparer):  
Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

**FISCAL NOTE**

**REQUEST:**

Revision Date: \_\_\_\_\_  
Title: Establish the Alaska Tourism Marketing Council  
Sponsor: \_\_\_\_\_  
Requestor: \_\_\_\_\_

Agency Affected: Commerce/Econ Development  
BRU: Alaska Tourism Marketing Council  
Components: \_\_\_\_\_

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES		163.9	163.9	163.9	163.9	163.9
TRAVEL		61.3	61.3	61.3	61.3	61.3
CONTRACTUAL		6847.9	6847.9	6847.9	6847.9	6847.9
SUPPLIES		3.0	3.0	3.0	3.0	3.0
EQUIPMENT		15.0	15.0	15.0	15.0	15.0
LAND & STRUCTURES		0	0	0	0	0
GRANTS, CLAIMS		0	0	0	0	0
MISCELLANEOUS		0	0	0	0	0
<b>TOTAL OPERATING</b>		<b>7091.1</b>	<b>7091.1</b>	<b>7091.1</b>	<b>7091.1</b>	<b>7091.1</b>
<b>CAPITAL</b>						
<b>REVENUE</b>		<b>1500.0</b>	<b>1500.0</b>	<b>1500.0</b>	<b>1500.0</b>	<b>1500.0</b>

**FUNDING: (Thousands of Dollars)**

GENERAL FUND		5591.1	5591.1	5591.1	5591.1	5591.1
FEDERAL FUNDS						
OTHER Pgm Rec/GT		1500.0	1500.0	1500.0	1500.0	1500.0
<b>TOTAL</b>		<b>7091.1</b>	<b>7091.1</b>	<b>7091.1</b>	<b>7091.1</b>	<b>7091.1</b>

**POSITIONS:**

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

**ANALYSIS :** (Attach a separate page if necessary)

Prepared by: \_\_\_\_\_ Phone: \_\_\_\_\_  
Division: \_\_\_\_\_ Date: \_\_\_\_\_

Approved by Commissioner: Senator Rick Halford Date: 4/7/88  
Agency: Senate Finance Committee

Distribution (by preparer):  
Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

STATE OF ALASKA  
1988 LEGISLATIVE SESSION

BILL VERSION: CS SB 478 (L&C)  
PUBLISH DATE: 3/3/88 Senate

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: Establish the Alaska Tourism Marketing Council  
Sponsor: Rules Committee  
Requester: Governor

Agency Affected: Commerce & Econ. Dev.  
BRU: Alaska Tourism Marketing Council  
Components: \_\_\_\_\_

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:

FULLTIME	0	3	3	3	3	3
PARTTIME	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 Geffert, Director  
Division: Tourism

Phone: 465-2012  
Date: \_\_\_\_\_

Approved by Commissioner: J. Anthony Smith  
Agency: Department of Commerce and Economic Development

Date: 2/12/88

Distribution (by preparer):

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

*Oby SFC 4/7/88*

ANALYSIS: (CONTINUED)

CS SB 478 (LFC)  
3/3/88 Senate

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 46.3  
 (Statutorily mandated -- 21 members  
 plus director -- two-day meetings)

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/dg10795D-5  
021188d

STATE OF ALASKA  
1988 LEGISLATIVE SESSION

BILL VERSION: SB 478  
PUBLISH DATE: (SENATE) 2/17/88

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_ Agency Affected: Commerce & Econ. Dev.  
Title: Establish the Alaska Tourism  
Marketing Council BRU: Division of Tourism  
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	[ 59.6 ]	[ 59.6 ]	[ 59.6 ]	[ 59.6 ]	[ 59.6 ]
TRAVEL	0	[ 10.0 ]	[ 10.0 ]	[ 10.0 ]	[ 10.0 ]	[ 10.0 ]
CONTRACTUAL	0	[ 7,021.5 ]	[ 7,021.5 ]	[ 7,021.5 ]	[ 7,021.5 ]	[ 7,021.5 ]
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	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
---------	---	---	---	---	---	---

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	0	0	0	0	0

POSITIONS:

FULLTIME	0	[ ]	[ ]	[ ]	[ ]	[ ]
PARTTIME	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 Gellert, Director Phone: 465-2012  
Division: Tourism Date: \_\_\_\_\_  
Approved by Commissioner: Anthony Smith Date: 2/10/88  
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.

# STATE OF ALASKA

## DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

RECEIVED MAR 15 1988

STEVE COWPER, GOVERNOR

REPLY TO:

1031 W 4th AVENUE  
SUITE 200  
ANCHORAGE, ALASKA 99501-1994  
PHONE: (907) 276-3550

1st NATIONAL CENTER  
100 CUSHMAN ST.  
SUITE 400  
FAIRBANKS, ALASKA 99701-4679

P.O. BOX K—STATE CAPITOL  
JUNEAU, ALASKA 99811-0300  
PHONE: (907) 465-3600

March 15, 1988

The Honorable John Binkley and  
The Honorable Rick Halford  
Senators, Alaska State Legislature  
Co-chairs, Senate Finance Committee  
P.O. Box V  
Juneau, Alaska 99811

Re: Tourism marketing bill  
CSSB 478 (I.T.)

Dear Senators Binkley and Halford:

At the meeting of the Senate Special Committee on International Trade on March 11, 1988, the committee adopted an amendment to this bill in an effort to ensure that all areas of the state are represented on the board of the Tourism Marketing Council. The amendment appears at page 6, line 17: "who are representative of the different geographic regions of the state."

The committee also expressed an interest in adopting a letter of intent to clarify the purpose behind this amendment. To avoid holding the bill up, however, the committee elected to pass the bill out, but requested that I prepare a draft letter of intent that could be considered, modified, and possibly adopted by the Finance Committee. I suggest the following:

It is the intent of the legislature that all geographic regions of the state be represented on the board of the Tourism Marketing Council. We recognize, however, that the qualified trade association must be free to make its board selections in whatever manner it chooses, without concern for regional representation. Therefore, it is the intent of this body that the governor, in making his appointments to the board, consider all relevant factors, including any possible regional bias of those members selected by the trade association, and after consideration of those factors, make his appointments in an effort to assure that all regions of the state are adequately represented.

Senator John Binkley  
Senator Rick Halford

March 15, 1988  
Page 2

I also suggest that the Finance Committee consider the following alternative amendment to more clearly conform with the International Trade Committee's intent. This amendment may eliminate the need for the letter of intent:

AMENDMENT

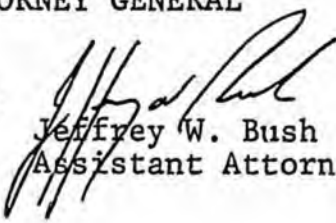
At page 6, line 17, delete "who are representative of the different geographic regions of the state" (language added in International Trade Committee); then, at page 6, line 20, after ";" insert "in making his appointments, the governor shall consider the regional representation of the board, including that of the members selected by the qualified trade association, to ensure that the board is broadly representative of the different geographic regions of the state;".

Please contact me if I can offer any further assistance.

Sincerely yours,

GRACE BERG SCHAIBLE  
ATTORNEY GENERAL

By:

  
Jeffrey W. Bush  
Assistant Attorney General

JWB:nb

cc: Senator Rick Uehling  
John Williams, Deputy Commissioner, DCED  
Bob Evans, Legislative Liaison, Office of the Governor

Original sponsor: Rules/Governor

BY THE SENATE SPECIAL  
COMMITTEE ON INTERNATIONAL  
TRADE AND FINANCE

1 IN THE SENATE

2

CS FOR SENATE BILL NO. 478 (I.T.)

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) [(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 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 who are  
18 representative of the different geographic regions of the state and  
19 each board member appointed by the governor serves at the pleasure of  
20 the governor;  
21           (4) eleven members of the board constitute a quorum for the  
22 transaction of business and the exercise of the powers and duties of  
23 the board, and any action by the board requires 11 affirmative votes;  
24           (5) the director serves as presiding officer of the board  
25 and may not vote except in the case of a tie;  
26           (6) a board member may not participate or vote by proxy;  
27           (7) the board shall meet at least four times a year at the  
28 call of the presiding officer or upon the written request of seven  
29 members of the board;

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

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

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

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

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

19 Sec. 44.33.720. EMPLOYEES. The board of directors of the coun-  
20 cil may employ and determine the salary of the staff of the council,  
21 which may include an executive director. If there is no executive  
22 director, the staff of the council is supervised by the presiding  
23 officer of the board.

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

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

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

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 developed by the council to a qualified trade association that has  
26 contracted with the department under AS 44.33.710(b) if the trade  
27 association pays its pro rata share of production costs for the publi-  
28 cation or promotional material; payment under this paragraph is not  
29 part of the association's required contribution under AS 44.33.710(b).

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

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

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

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

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

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

14 (5) annually submit a proposed operating budget to the  
15 director, to be used by the Department of Commerce and Economic Devel-  
16 opment to prepare and submit the operating budget of the council under  
17 AS 44.33.750; and

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

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

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

28 Sec. 44.33.760. ACCOUNTING AND DISPOSITION OF RECEIPTS. (a)  
29 The tourism marketing council shall deposit money collected under

1 AS 44.33.700 - 44.33.780 in the general fund.

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

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

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

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

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

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

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

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

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

25 \* Sec. 9. AS 44.33.130, 44.33.140, 44.33.145, 44.33.150, 44.33.160,  
26 44.33.170, and 44.33.180 are repealed.

27 \* Sec. 10. If the commissioner of commerce and economic development  
28 contracts with a qualified trade association under AS 44.33.710(b), enacted  
29 in sec. 7 of this Act, initial appointments by the governor to the board of

1 directors of the Alaska Tourism Marketing Council under AS 44.33.710(c)(4),  
2 enacted in sec. 7 of this Act, shall be made for the following terms:

- 3           (1) four members shall serve for one year;  
4           (2) three members shall serve for two years; and  
5           (3) three members shall serve for three years.

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

Offered: 3/3/88  
Referred: International Trade and  
Finance.

go0028sL

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  
development; and providing for an effective date."

7

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  
expand the visitor industry of the state and to foster expansion of the  
market for Alaska as a destination throughout the nation and the world is  
in the public interest and is a valid public purpose. The legislature  
further finds that this cooperative effort would inure to the benefit of  
the visitor industry in the state and that some of the costs of maintaining  
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  
industry for the benefit of the state economy;

20

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

23

(3) promote the development of visitor industry facilities, both  
in the private sector and through the use of state resources, as appropri-  
ate;

26

(4) provide a mechanism to promote new markets by encouraging  
the development of pilot projects to test new marketing opportunities; and

28

(5) promote cooperation in the visitor industry by encouraging  
membership in a trade association that practices nondiscriminatory

29

1 promotion and development of all aspects of the Alaska visitor industry.

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3 (25) the executive director and other staff of the Alaska  
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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  
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22 Alaska division of tourism. The director of tourism is appointed by  
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25 (b) The Alaska division of tourism

26 (1) shall

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2 (B) [(2)] coordinate with municipal, state, and fed-  
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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;

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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 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 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 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;

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 to mailing lists developed by the council  
26 under regulations adopted by the commissioner.

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

29          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

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

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

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

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

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

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

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

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

20 (15) Alaska Tourism Marketing Council (AS 44.33.700) --

21 June 30, 1993.

22 \* Sec. 9. AS 44.33.130, 44.33.140, 44.33.145, 44.33.150, 44.33.160,  
23 44.33.170, and 44.33.180 are repealed.

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

29 (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, 1988.

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 nizations 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 exceed one year.

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;

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;

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

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.



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-

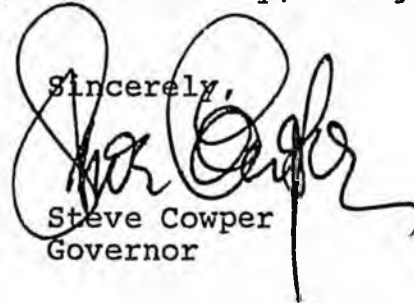
nizations for the construction or operation of visitor information centers (AS 44.33.150) or for the development of tourist attractions of historical or contemporary interest. AS 44.33.170. Existing grant statutes are repealed (sec. 8 of the bill), and the substance of them is reorganized into proposed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

Steve Cowper  
Governor

SENATE COMMITTEE REPORT

FURTHER FINANCE

3/3/88

DATE TURNED INTO OFFICE \_\_\_\_\_

Mr. President:

INTERNATIONAL TRADE Committee considered SB 478

Alaska tourism promotion and development; efd

and recommended (whole committee)
[X] replace with CS SB 478 (I.T.) [X] same title
[ ] or adopt CS [ ] new title
[ ] attached amendment(s) and and do pass

- [X] do pass
[ ] do not pass
[ ] no recommendation
[ ] individual recommendations
[ ] further referral to
[ ] letter of intent adopted

2 FN's

Committee [X] attached or [ ] adopted fiscal note(s)
[ ] new [ ] updated or [ ] previous
[ ] zero 2 [X] fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Handwritten signatures of committee members under 'MEMBERS SIGNING DO PASS'

Handwritten signature of the Chairman under 'OTHER RECOMMENDATIONS'

Chairman signature and recommendation

[ ] Committee Backup attached

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 2/18/88 5-DAY NOTICE  
IN ACCORDANCE WITH UNIFORM RULE 23

*Senate Special*  
*Common* INT. TRADE  
FURTHER: FINANCE

\*\*FISCAL NOTE(S) ATTACHED  \*\*  
IN ACCORDANCE WITH AS 24.08.035  
(see below)

2/17/88  
Mr. President:

DATE TURNED INTO OFFICE \_\_\_\_\_

Labor and Commerce Committee considered SB 478

Alaska tourism promotion and development; efd

*majority*  
and recommended:

replace with CS SB 478 (LIC)  same title  
 attached amendment(s) and  new title

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

letter of intent adopted and attached

\*\* Committee  attached or  adopted fiscal note(s)  
 zero  fiscal impact

MEMBERS SIGNING DO PASS

*Tim Kell*  
*Robert King*  
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OTHER RECOMMENDATIONS

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\_\_\_\_\_

*Tim Kell - Do Pass*

Chairman signature and recommendation

Committee Backup Attached