

ALASKA LEGISLATURE COMMITTEE FILES 1987-1988 8672

5117 HSTA SB 444 - SB 478

689

Department of Revenue
Permanent Fund Dividend Division
Fiscal Note Analysis
SB 444
As of March 10, 1988

This legislation would reduce the number of eligible applicants for Permanent Fund Dividends by approximately 10,000 in 1989. Although an exact figure is not possible, this reduction in applicants will serve to increase future Permanent Fund Dividends by approximately \$15.

Since persons not filing from out-of-state represent a substantial part of the Division's civil investigation effort, any real reduction will result in some decreased administrative costs in the FY 91 budget request, all else being equal. Some portion of the potential savings will be directed to increasing our efforts in criminal investigation, to reduce the potential for fraudulent filings. See attached position paper.

Allowable absences thus draw a sharp line dividing those people who claim an intent to make Alaska their permanent home. If such a person is gone from Alaska for most of the winter or gone for all of the spring without an allowable absence, that person cannot legally receive that year's Permanent Fund Dividend. If a person has an allowable absence, on the other hand, that person may be gone for all of the winter window, gone for all of the spring filing period, and gone for all of the rest of the year -- year after year after year.

Under current law, there is no flat rule against someone coming to Alaska for a day, leaving the state on an allowable absence, and collecting Permanent Fund Dividends as long as he or she retains the allowable absence while never setting foot in the state again.

Approximately 95 percent of those people receiving 1987 dividends who applied for them from outside the state also claimed allowable absences. More than \$8 million in dividends went to this group.

SB 444's Approach

If enacted, SB 444 would make several changes consistent with the dividend program's philosophy. First, the legislation adds to current law a requirement that an applicant be physically present in Alaska on the date of application, which can be anytime between April 1 and June 30. The bill provides for only narrow exceptions to this requirement: (1) medical treatment not available in Alaska; (2) service in Congress; and (3) spouses and dependents of these people in (1) and (2).

Adding the requirement of physical presence on the date of application would establish a relatively easily measured indicator of the intent held by the person claiming Alaska residency while living elsewhere. The bill's enactment would reflect a legislative presumption that the person who truly intends to return and remain permanently will retain sufficient ties to the state to be present at least one day during the three-month filing period. This additional requirement would also make sure that Permanent Fund Dividend recipients have not completely lost touch with Alaska.

Requiring the applicant to certify that he or she is physically present on the date of application is an administratively simple way of testing a person's intent to return and remain permanently in Alaska. The application form already requires that an applicant certify his or her residency on the date of application, and also requires that two other persons certify the applicant's residency. This legislation would allow the Department of Revenue to require the applicant and these two certifying witnesses to attest to the additional simple fact that the applicant is here in Alaska the date he or she signs the form. This requirement of physical presence on the date of application will not be an excessive burden on the applicant as the applicant can choose any day of the three-month filing period (April 1 - June 30) to file.

This requirement will also make it more likely that dividends will be spent in Alaska. Now, more than \$8 million in dividends goes to people who apply from outside Alaska.

Putting this money back into the state has another benefit. If this bill passed, the Department of Revenue estimates that in 1989 at least 10,000 fewer people will receive dividends than would under current law. This will increase the dividend by more than \$15 per Alaskan.

SB 444 also cuts off allowable absences after five consecutive years (with the few narrow exceptions that apply to the physical presence rule). When combined with the requirement of physical presence when applying, the effect of this is to allow a person to be gone for most of the winter five years in a row while being present for one day in the spring each year. The following year, the applicant would have to return to Alaska to spend most of the winter.

Finally, the proposed legislation establishes civil penalties for willful misrepresentation, gross negligence, or reckless disregard of material facts concerning eligibility. Current law allows two methods of dealing with individuals who have wrongly claimed permanent fund dividends. One method is available against all individuals who have received dividends to which they were not entitled, whatever their state of mind. This method is the assessment, an administrative procedure in which the Department of Revenue attempts to recover the dividend which the individual received (AS 43.23.035(b)). The other method is criminal prosecution, which is aimed only at those who have intentionally engaged in fraud (the crime is "unsworn falsification" under AS 11.56.210). Intent to defraud can be difficult to prove, especially to the high standard of beyond a reasonable doubt required by the criminal law.

The proposed legislation would authorize the Department of Revenue to seek civil penalties which could exceed the value of the dividend(s) wrongly obtained for those who have engaged in undesirable behavior short of intentional fraud. The bill would establish civil fines of up to \$5,000 for those who are found to have engaged in willful misrepresentation, gross negligence, or reckless disregard of material facts involving their eligibility for dividends. The standard of proof required would be lower than that required in criminal prosecutions.

Timing of SB 444

This bill would take effect January 1, 1989 and will have its first impact on the 1989 dividend distribution. This is appropriate, because printing deadlines make it too difficult to make the changes in the 1988 dividend application forms which would be required if the changes in the law went into effect this year.

Information about the loopholes in the Permanent Fund Dividend program appears to be spreading, however, which makes it critical for the Legislature to pass a bill this session which can go into effect for the 1989 dividend distribution. With the one-year lag between passage and implementation effectively forced by printing deadlines, the Legislature must take action this session, or the earliest dividend distribution it can affect will be in 1990.

Paying dividends to the people who claim to be Alaskans but have been gone for years is not what the program is all about. We believe this bill is needed to protect the integrity of the dividend program.

10000 group

Simple Rule
Fail
STABLE

separate: Two rules

- 1) plus next days
- 2) group group - even sp. cut off

exception (data cut off)

→ conquer c.g.

Appear untari -

→ con, illud


3) B3 - unstable - open door

CS

Two year window

Accidents Absence - 270 fail
 Outside
 12000 days

Spun. Reg File, Accidents
 Absence - list no exact

have to be 

where

how is market affected -

July 1 2 yrs ago - crisis

(Military, group + students)

→ new reqs - IR family member live
 in AR, spouse cant get it -

293

FISCAL NOTE

REQUEST

Revision Date: _____
Title: An Act relating to eligibility
for permanent fund dividends
Sponsor: Hensley, Kerttula, Abood et.al.
Requestor: _____

Agency Affected: Revenue
BRU: Permanent Fund Dividend Division
Components: Permanent Fund Dividend
Division

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
OPERATING						
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
LANDS & 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-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

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

ANALYSIS: Please see attached.

Prepared By: Ervin B. Jones, Director
Division: Permanent Fund Dividend Division

Phone: 465-2323
Date: March 10, 1988

Approved by Commissioner: [Signature]
Agency: Revenue

Date: 3/10/88

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

Department of Revenue
Permanent Fund Dividend Division
Fiscal Note Analysis
CS SB 444 (Fin)
As of March 10, 1988

This legislation would reduce the number of eligible applicants for Permanent Fund Dividends by approximately 10,000 in 1989. Although an exact figure is not possible, this reduction in applicants will serve to increase future Permanent Fund Dividends by approximately \$15.

Since persons not filing from out-of-state represent a substantial part of the Division's civil investigation effort, any real reduction will result in some decreased administrative costs in the FY 91 budget request, all else being equal. Some portion of the potential savings will be directed to increasing our efforts in criminal investigation, to reduce the potential for fraudulent filings. See attached position paper.

Rep Mark Boyer
Alaska State Legislature

Dear Representative Boyer:

As both a resident of this great state of Alaska and as an officer in the Air Force I am deeply concerned about the way the Permanent Fund is being misused by being sent to many members in the military community who are not in reality Alaska State residents. Currently permanent fund dividend checks will not be mailed out of state to any civilians who claim residency but can be sent to members of the armed services who have been living out of state for up to 5 years. I don't think this practice is fair to the civilian sector of our state. I personally know of several air force families who have been stationed here for a short period of time and now have been moved elsewhere who continue receiving dividend checks for each member of the family. Most of these have no intention of ever returning to Alaska. In fact many of these didn't want to come here to begin with, hated Alaska, did not live off base, and did not show any desire to live here any longer than necessary. However since they could receive dividend checks by claiming residency they did so and are now using those checks to help support the economy of the states where they are now living until their 5 years are up. Two families I know are receiving yearly dividend checks who have purchased homes in other states where they now live. Neither chose to live off base while here in Alaska. One of these families is receiving 6 dividend checks a year to help make their house payments. There is something really wrong with a system that allows this to occur. To remedy this very unjust system I suggest we make the following changes to the way our Permanent Fund is distributed.

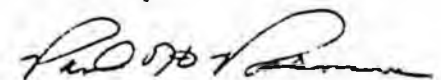
- #1. Domicile requirements should be the same for both civilians and military alike. If someone is living out of state he should not receive a permanent fund check. A possible exception to this rule might be for a soldier who gets sent to a remote assignment and his/her family remains here in Alaska.
- #2. If #1 is felt unacceptable at the very least in order to get a permanent fund check mailed to him out of state a soldier must be able to show some permanent roots established by owning a home here in Alaska.
- #3. All members of the same household should be required to claim Alaskan residency in order to qualify for a dividend check. It is not uncommon for the military wage earner to retain his home state residency status while his nonworking wife and children all claim Alaska residency. By doing this when he returns to his home state he still retains his residency status should he decide to go back to school. Also if he is enlisted he can get overseas pay. On the other hand all his dependants continue getting their yearly dividend checks although they aren't really planning on staying behind when he leaves.

Neither the USAF or USA publish data on what percent of the military who continue to claim Alaska residency and their permanent fund checks ever return to the state permanently (because it would make them look bad). I am sure it is quite common however because I know many in my section alone who fit into that category.

Please look into this regrettably inequitable situation during your busy current legislative session and do what correcting you feel is necessary. All resident of our great State need to be treated equally and fairly whether civilian or military. Alaska's State Government is responsible to the residents and the economy of Alaska alone. It should not be funding the economy of the other 49 states because someone living there just happened to be stationed here in Alaska in the past.

I would love to hear your reply if you ever have time in your busy schedule.

Sincerely



Capt. Paul H. Rasmussen
3361 Fernwood Ave
North Pole, AK 99705

S B

4 5 5

HOUSE COMMITTEE REPORT

(7)

Date referred: 5/7/88

FURTHER REFERRALS:

DATE: 5-7-88

The State Affairs Committee has considered CSSB 455(L&C)

"An Act relating to commercial fishing vessel safety and safety equipment; and providing for an effective date."

RECOMMENDS:

- replace with _____ the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published 3/11/88
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

Cory Daindon

Larry Martin

Thomas H. ...

...

...

Chairman's signature

STATE OF ALASKA
THE LEGISLATURE

POUCH Y. STATE CAPITOL
JUNEAU, ALASKA 99811
907.465.3800

LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE REFERENCE LIBRARY

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

HSA

5-7-88

3:00p.m.



United Fishermen's Marketing Association, Inc.

P.O. Box 1035 Kodiak, Alaska 99615

Telephone 486-3453



TO: Senator Fred Zharoff
Representative Cliff Davidson

FROM: Jeff Stephan

DATE: Friday, 5 February, 1988

SUBJECT: The possibility of State legislation that would require minimum safety equipment aboard commercial fishing vessels

Thank-you both for the time that you spent with us during your recent visit to Kodiak. As you may remember, one of the issues that we raised with you was the possibility of establishing State legislation that would require minimum safety equipment aboard commercial fishing vessels. We have had very preliminary discussions regarding this issue, and it appears that the industry could probably support something of this nature. I have had similiar discussions in the past regarding this issue with many members of the fishing community with regard to Federal legislation that has been proposed that attempts to do that same thing. This Federal legislation is still in Congress because of certain objections regarding certain aspects of the bill that do not relate to safety equipment. My discussions with the industry regarding the Federal legislation also led me to believe that the fishing community could support the concept of requiring minimum safety equipment aboard commercial fishing vessels. UFMA hopes to have a general meeting sometime soon to further judge industry reaction to State or Federal requirements that propose to impose minimum requirements for life-saving and safety equipment on commercial fishing vessels.

One approach would be to address Survival Suits, Life Rafts, and EPIRBS.

Survival Suits: For example, legislation may require that survival suits be required aboard all commercial fishing vessels by July 1, 1988. This legislation may require that all survival suits be equipped with some form of locating-light by January 1, 1989. There are several very good lights for this use sold already. Preliminarily, it appears that strobe-lights are best, but it may be that any light sold for this purpose is sufficient for purposes of legislation. "Lights", as used for purposes of this legislation should be defined, and I'm sure that the Coast Guard could help with this definition. Further, this legislation may require that all survival suits be equipped with TYPE B EPIRBS by January 1, 1990.

LIFE RAFTS: Legislation may stipulate that life rafts are required aboard all commercial fishing vessels. Legislation may contemplate exempting vessels of less than 5 net tons from this requirement. Certain life raft standards should be established. The Coast Guard could also help in this regard since they have existing requirements and standards for life rafts.

Senator Fred Zharoff
Representative Cliff Davidson
5 February, 1988
page 2

EPIRBS: Legislation may want to stipulate that at least 1 CLASS A EPIRB be required on a commercial fishing vessel. The legislation may contemplate exempting vessels of less than 5 net tons from this requirement also. TYPE B EPIRBS should be considered as a requirement for use on survival suits (as mentioned above).

Although there is proposed Federal legislation that addresses this issue, it has faced much objection in the past because of many provisions that do not relate to safety equipment. Also, there is no way of knowing how long we will have to wait for Federal legislation to address this issue. Alaska is certainly the State that will be most affected by the passage (or lack of passage) of this type of legislation. Maybe it is time for Alaska to act unilaterally in dealing with minimum life-saving and safety-equipment requirements.

Thank-you for your attention to our concerns regarding this issue. Please contact me if you have any questions.

cc: UFMA Directors

Fishing Vessel Casualties in 1987

Date	Name	Length/Type	Location	Outcome
Jan. 4	Lady Blue	90	Unimak Pass	Sank
Jan. 16	Hetta	83/tender	Whale Head Is.	Sank
Jan. 28	Laura	48	Shelikof Strait	Sank
Feb. 4	Pacific Star	40	Aleutians	Rogue wave, 1 lost
Feb. 6	Amatuli	112/crab	St. George Is.	Fire, quelled
Mar. 8	Birgit N	123/crab	Aleutians	Grounded & destroyed
Mar. 20	All Alaskan	340/ processor	Pribilofs	Grounded, later demolished
Apr. 4	Katy Too	30	Icy Straits	Intentional grounding, total loss
Apr. 8	Naknek	81/tender	Wells Bay	Grounded, sank
Apr. 21	Jamie Lynn	93/crab	Dutch Harbor	Sank under tow; 3 lost
May x	Ranger	55/longliner	Sitka	Sank
May x	Tempest	230/ processor	Pribilofs	Skiff accident, 1 lost
May 5	Hotline	42/halibut	Kodiak	Sank, 4 lost
May 5	Chavro	halibut	Seward	Sank, 1 lost
May 5	Kahiltna II	47/halibut	Cape Resurrection	Sank
May 5	Kvingo	38/halibut	Coronation Is.	Sank
June 11	Southern Viking	tender	Sutwick Is.	Sank
June 16	Miss Universe	86/tender	Semidi Is.	Sank, 3 lost
June 16	Annihilator	44/seine	Chignik	Burned
June 18	Jenner Sea	26	Lynn Canal	Grounding
June 19	Cape Chacon	44/seine	Cordova	Sank, 1 lost
July 2	Magi	30	Naked Is.	Sank
July 8	Cross Sound	seine	Grenville Channel	Sank
July 14	Galaxy		Dutch Harbor	Boom accident, 1 lost
July 25	Binki	43	Admiralty Island	Sank, 1 lost
July 29	Marge	36	Grand Is.	Sank
Aug. 4	Charneal	28	Marrowstone Is.	Capsized, towed
Sep. 19	Nordfjord	127	Gulf	Sank, 5 lost
Oct. 1	Wicklow	28	Astrolab Bay	Grounded & destroyed
Nov. 1	Rex	40/troll	Sitka	Sank, 1 lost
Nov. 5	Uyak II	130/trawl	Kodiak	Sank, 4 lost

(Editor's Note: This list of casualties was compiled from past issues of the JOURNAL, plus information supplied by several Coast Guard Marine Safety Offices. The MSO for Western Alaska (everything west and north of Icy Bay, except for Prince William Sound, which has its own MSO) also supplied the JOURNAL with a list of about 125 vessel casualties; the list included no details except to note approximately 40 injuries and deaths.

er Reads
oat Crew''

Nothing.
ly sighted
ned skiff.
Loose bulwarks
ca between tides.

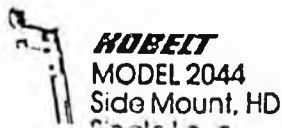
3.
US
tening
vo one

ocation.
and three more words:

izon.
it up
th.

Mary Lou Sanelli

DO YOU WANT THE BEST BUILT, BEST BACKED, BEST PRICED ENGINE CONTROLS AVAILABLE TODAY?



NOV 24 1998

Safety, survival testimony disturbing

KDM
4/18/98

By NELL WAAGE
Staff Writer

Very few fishermen are prepared to do what is necessary to survive when their boat capsizes or sinks, according to testimony given to federal investigators here last week.

And the same is true for the Coast Guard crews who are their prospective rescuers. Their own cold water survival training is almost non-existent and training in dealing with victims of cold water is spotty at best, officials were told.

Testimony during the National Transportation Safety Board hearing last week brought home these disturbing facts, along with others.

Although several people testified that fishermen have become much more conscious of safety equipment during the past few years, testimony showed many skippers and fishermen seem to take little notice of the equipment once it is stowed aboard the boat, at least until it's needed.

Even the most safety-conscious among skippers testifying did not insist that crew members have some training in the use of safety equipment or take advantage of available educational materials. None conducted drills to practice what to do if disaster were to strike. In the worst cases fishermen did

not know what, if any, safety equipment was aboard (other than survival suits), where it was located or how to operate it.

As one former skipper said: "Most of the training is...somebody says there's a survival suit over there, the life raft is there. It's pretty normal in the fishing industry to take for granted when you hire someone they (take it upon themselves to check out safety equipment and its operation.)"

Several people testified they think some government regulations are needed to assure fishermen have the knowledge to save themselves before they go out on their first trip.

Jay Rasmussen, one of two survivors of the sinking of the FV Wayward Wind in January, said he thinks some sort of training should be mandatory before a fisherman "ever gets his license."

Long-time fisherman and boat owner Dave Hermsteen, agreed, saying he sees nothing wrong with "some sort of apprentice program."

Hermsteen testified that he did not support regulating the carrying of safety gear at one time but recent accidents had convinced him it is necessary.

When he learned the Wayward Wind carried no life raft when it went down in January during a Tanner fishing trip, he said, he felt strongly that "they shouldn't be able to be out there in an 86-foot crab boat in the winter without a life raft aboard."

He supported state legislation currently proposed that would force commercial fishing boat operators to carry survival suits (See "NTSB," Page 11)

NTSB hearings expose faults

(Continued from Page 1) with lights and EPIRBs, and also life rafts and EPIRBs (emergency position indicating radio beacons).

Several Coast Guard members said in their testimony they had had minimal or no training in cold water survival. Many also said they had little or no training in care of cold water near-drowning victims or in giving CPR.

Testimony showed that while at times medical technicians are along on rescue flights, at other times members of the aircraft crew must deal with treatment of victims.

Testimony also showed difficulties with equipment

slowed the CG response in the Wayward Wind case. The pilot of the C-130 which picked up the EPIRB transmission said the ground crew was unable to get the first airplane going and had to prepare a second one. That almost doubled the time it took to get off the ground at the Kodiak Air Station.

A helicopter pilot testified that he and his crew had to wait while the starter on his craft was replaced, and another testified that there was a delay while the flight control system was repaired on the helicopter he flew.

The helicopter that rescued the two survivors from the Wayward Wind also had mechanical problems.

FISCAL NOTE

REQUEST:

Revision Date: 4/30/88 Agency Affected: Office of the Governor
 Title: "An Act relating to commercial fishing vessel safety..." BRU: Executive Operations
 Sponsor: Zharoff and Szymanski Components: Executive Office
 Requestor: Zharoff

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL		16.5				
CONTRACTUAL		10.3				
SUPPLIES		.6				
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		27.7				

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND		27.7				
FEDERAL FUNDS						
OTHER						
TOTAL		27.7				

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

See attached analysis.

Prepared by: Michael A. Nizich, Director
 Division: Division of Administrative Services

Phone: 465-3616
 Date: 5/4/88

Approved by Commissioner: [Signature]
 Agency: Office of the Governor

Date: 5/5/88

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

CONTINUATION OF FISCAL NOTE ANALYSIS

For Bill/Resolution No. CSSB 455 (L&C)

Section 1 of CSSB 455(L&C) establishes in the Office of the Governor the Fishing Vessel Safety Interim Commission. The Commission consists of "at least seven members" appointed by the Governor. These members are entitled to per diem and travel expenses authorized for boards and commissions under AS 39.20.180.

Sections (c) through (e) outline the work requirements of the Commission as follows:

- Suggest, review, and recommend legislation, regulations, and guidelines that address safety equipment requirements and educational programs that contribute to the successful application of safety and life-saving equipment on commercial fishing vessels.
- Consider and review proposals relating to the development and implementation of educational programs at the high school and community college level to increase the level of awareness regarding the application and use of safety and life-saving equipment on commercial fishing vessels.
- Consider guidelines, requirements, and standards relating to the maintenance, servicing, and upgrading of safety and life-saving equipment and recommend a permanent method for the State to evaluate current and future needs relating to legislation, regulations, guidelines, and standards for commercial fishing vessel safety.
- Report its recommendations to the Governor and the Legislature by January 15, 1989.

It is assumed that the Commission will have a start-up date of no earlier than July 1, 1988, with a termination date of January 16, 1989.

This fiscal analysis estimates travel and per diem for seven Commission members from throughout Alaska (air fares based on travel to and from Juneau, Anchorage, Dillingham, and Kodiak for Juneau, Anchorage, Dillingham, Kodiak, Kenai, Sitka, and Ketchikan) to four 3-day meetings. Total travel costs: 16.8.

CONTINUATION OF FISCAL NOTE ANALYSIS

For Bill/Resolution No. CSSB 455 (L&C)

Contractual expenses included in the estimate are meeting room rental, advertising, and clerical services for transcription of minutes and production of reports for four meetings in FY 89; long distance telephone charges, printing and binding of the final report to the Governor; and photocopies. Estimates are based on previous expenditures for similar councils, interim commissions, and working groups. Total Contractual: 10.3.

Estimates for supplies are for normal office supplies (paper, pens, folders, etc.) for use at Council meetings and for Council publications. Total Supplies: .6.

S B

4 6 0

HOUSE STATE AFFAIRS COMMITTEE

NEXT COMMITTEE: FINANCE

BILL: SB 460

CURRENT VERSION: CS SB 460 (SA)

SCHEDULED: APRIL 15, 1988

SPONSOR: FAIKS

PHONE NO: 3755

CONTACT FILE: _____

BILL SUBJECT: RELATING TO COSTS OF ADMINISTERING STATE CONTRACTS

SPONSOR BACKUP: IN FILES

AFFECTED AGENCIES:

<u>DEPARTMENT</u>	<u>CONTACT/PHONE</u>	<u>COMMENT</u>
ADMINISTRATION	PUSHPENDER DHILLON/2200	NOTIFIED 3/30/88

FISCAL NOTES

<u>AGENCY</u>	<u>REQUESTED</u>	<u>DATED</u>	<u>FY 88 AMT</u>	<u>FY 89 AMT</u>
ADMINISTRATION		3/15/88	-0-	-0-

ACTION

<u>DATE</u>	<u>COMMENT</u>
4/13/88	RESCHEDULED TO 4/15/88
4/15/88	CS ADOPTED AND PASSED FROM HOUSE STATE AFFAIRS

HOUSE COMMITTEE REPORT

Date referred: _____

FURTHER REFERRALS: _____

Finance

DATE: 4-15-88

The State Affairs Committee has considered CSSB 460(SA)

"An Act relating to the costs of administering state contracts."

RECOMMENDS:

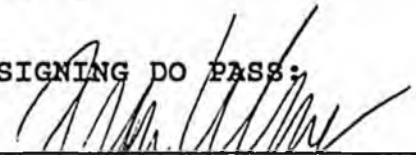
- replace with _____ the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

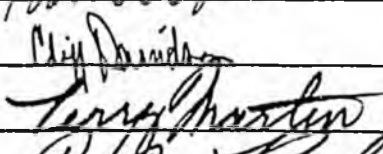
ADOPTS: _____ letter of intent

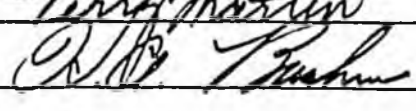
ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published 3-15-88
- zero with analysis


SIGNING DO PASS:







SIGNING OTHER RECOMMENDATIONS:



 Chairman's signature

STATE OF ALASKA THE LEGISLATURE

POUCHY - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY LEGISLATIVE REFERENCE LIBRARY

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

HSA	4-13-88	3:00 p.m.
HSA	4-15-88	3:00 p.m.

POSITION PAPER
Bill CS SB 460 (SA)

The bill requires the procurement officer to consider significant administrative costs before the award of a bid which is primarily for supplies. Administrative costs are defined as additional costs that result from the geographic location of the bidder or the bidders source of supply, and includes transportation, communications, per diem, and State wages.

The impact on the Department of Administration will be for procurement officers to consider significant administrative costs when preparing the Invitations to Bid or evaluating responses to an Invitation to Bid.

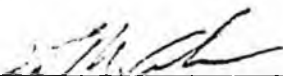
The Department of Administration is neutral on this bill.



Robert J. Link, Director
Division of General Services & Supply

4/13/88

Date



Commissioner John M. Andrews
Department of Administration

4/14/88

Date

Original sponsor: Faiks

1 IN THE SENATE BY THE STATE AFFAIRS COMMITTEE
2 CS FOR SENATE BILL NO. 460 (State Affairs)
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 the costs of administering state
7 contracts."

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

9 * Section 1. FINDINGS. The legislature finds that different bids for a
10 contract that is primarily for supplies can require significantly different
11 state costs for the administration of the contract. The legislature also
12 finds that if significant administrative costs would be required due to the
13 nature of a particular bid, the costs should be added to or included in the
14 bid amount before the low bidder is determined.

15 * Sec. 2. AS 36.30 is amended by adding a new section to read:

16 Sec. 36.30.165. CONSIDERATION OF ADMINISTRATION COSTS. After
17 the opening of the bids for a contract that is primarily for supplies,
18 but before the determination of the successful bidder under
19 AS 36.30.170, the procurement officer (shall) consider the significant
20 administrative costs that would be incurred by the state to administer
21 the contract under the bid. In this section, "administrative costs"
22 means the additional costs that result from the geographical location
23 of the bidder or the bidder's source of supplies, including costs for
24 transportation, communications, per diem, and state employee wages.

competitive sealed bidding:



Alaska State Legislature

SENATE

Office of the President

P.O. Box V
State Capitol
Juneau, Alaska 99811
(907) 465-3755

MEMORANDUM

March 21, 1988

TO: Representative Fran Ulmer, Chairman
House State Affairs Committee

FROM: Senator Jan Faiks
President of the Senate

SUBJECT: CSSB 460 (STA) "An Act relating to the costs of
administering state contracts."

CSSB 460 (STA) has been referred to the House State Affairs Committee for consideration. This bill amends the State Procurement Code to address a problem which has affected several resident businesses.

The state enters into many contracts for supplies. The problem is that there may be greater costs associated with administering a contract with a supplier who is located outside the state than with a supplier who is located inside the state. For example, in order to administer a recent out-of-state contract, a state employee had to travel to the supplier's factory five times, incurring costs for air fare and per diem which were not taken into account when the bid was accepted. If these costs had been anticipated and added to the bid amount, the bid would have gone to a local business.

This bill finds that different bids for a contract that is primarily for supplies can require significantly different administrative costs. It also finds that significant costs should be added to or included in the bid amount before a low bidder is determined.

To accomplish this, the bill amends AS 36.30 to instruct procurement officers to consider the significant administrative costs that would be incurred by the state to administer a contract under a particular bid. This could be done by including the anticipated administrative costs in the bid itself, or by adding them onto a bid once it is received.

"Administrative costs" are the additional costs that result from the geographical location of the bidder or the bidder's

FISCAL NOTE

REQUEST:

Revision Date: SB 460 Agency Affected: Administration
 Title: An Act relating to costs of BRU: General Services & Supply
administering state contracts
 Sponsor: Falks Components: Purchasing
 Requestor: Senate State Affairs

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
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	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

This zero fiscal note is based on the belief that the fiscal impact of the bill on bids issued by Department of Administration will be minimal.

Prepared By: Robert J. Link *Robert J. Link* Phone: 465-2250
 Division: General Services & Supply Date: 02/26/88
 Approved by Commissioner: John M. Andrews *John M. Andrews* Date: 2/29/88
 Agency: Department of Administration

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

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**



Alaska State Legislature

SENATE

Office of the President

P.O. Box V
State Capitol
Juneau, Alaska 99811
(907) 465-3755

MEMORANDUM

March 21, 1988

TO: Representative Fran Ulmer, Chairman
House State Affairs Committee

FROM: Senator Jan Faiks
President of the Senate

SUBJECT: CSSB 460 (STA) "An Act relating to the costs of
administering state contracts."

CSSB 460 (STA) has been referred to the House State Affairs Committee for consideration. This bill amends the State Procurement Code to address a problem which has affected several resident businesses.

The state enters into many contracts for supplies. The problem is that there may be greater costs associated with administering a contract with a supplier who is located outside the state than with a supplier who is located inside the state. For example, in order to administer a recent out-of-state contract, a state employee had to travel to the supplier's factory five times, incurring costs for air fare and per diem which were not taken into account when the bid was accepted. If these costs had been anticipated and added to the bid amount, the bid would have gone to a local business.

This bill finds that different bids for a contract that is primarily for supplies can require significantly different administrative costs. It also finds that significant costs should be added to or included in the bid amount before a low bidder is determined.

To accomplish this, the bill amends AS 36.30 to instruct procurement officers to consider the significant administrative costs that would be incurred by the state to administer a contract under a particular bid. This could be done by including the anticipated administrative costs in the bid itself, or by adding them onto a bid once it is received

"Administrative costs" are the additional costs that result from the geographical location of the bidder or the bidder's

source of supplies, including costs for transportation, communications, per diem and state employee wages.

Please contact my office if you have any questions or comments.

FISCAL NOTE

REQUEST:

Revision Date: SB 460
Title: An Act relating to costs of administering state contracts
Sponsor: Farks
Requestor: Senate State Affairs

Agency Affected: Administration
BRU: General Services & Supply
Components: Purchasing

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
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	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

This zero fiscal note is based on the belief that the fiscal impact of the bill on bids issued by Department of Administration will be minimal.

Prepared By: Robert J. Link *Robert J. Link*
Division: General Services & Supply

Phone: 465-2250
Date: 02/26/88

Approved by Commissioner: John M. Andrews *John M. Andrews*
Agency: Department of Administration

Date: 2/29/88

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

S B

4 7 8

HOUSE STATE AFFAIRS COMMITTEE

NEXT COMMITTEE: FINANCE

BILL: SB 478

CURRENT VERSION: CS SB 478 (FIN) am

SCHEDULED: APRIL 22, 1988

SPONSOR: GOVERNOR

PHONE NO: LINDA WILD/2505

CONTACT FILE: _____

BILL SUBJECT: ALASKA TOURISM PROMOTION AND DEVELOPMENT

SPONSOR BACKUP: IN FILES

AFFECTED AGENCIES:

<u>DEPARTMENT</u>	<u>CONTACT/PHONE</u>	<u>COMMENT</u>
DCED	LINDA WILD/2505	
KAY BROWN	ERIC MYERS/3784	
AVA	CLARK GRUENING/586-8110	
SUSAN BURKE	586-2777	

FISCAL NOTES

<u>AGENCY</u>	<u>REQUESTED</u>	<u>DATED</u>	<u>FY 88 AMT</u>	<u>FY 89 AMT</u>
COMMERCE	4/14/88	3/16/88	-0-	(7,091,100)
COMMERCE/PREPARED BY S(FINANCE)		4/7/88	-0-	-0-

ACTION

<u>DATE</u>	<u>COMMENT</u>
4/20/88	HEARING: HELD UNTIL 4/22/88
4/22/88	HOUSE COMMITTEE SUBSTITUTE ADOPTED AND PASSED FROM STATE AFFAIRS

← indicator changes / sections included in Finance -
ALSO NOTE ATTACHED AMENDMENTS BY USALIC - SHE WANTS TO FILE IT TO RURAL AREAS WHICH IS NOT

Original sponsor: Rules/Governor

1 IN THE SENATE

BY THE FINANCE COMMITTEE Kay's

2 HOUSE CS FOR CS FOR SENATE BILL NO. 478 (Finance)

INTENT OF COURSE

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

Drawing

5 A BILL

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

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

9 * Section 1. FINDINGS. The legislature finds that a cooperative effort
10 between the state and private industry to support and expand the visitor
11 industry of the state and to foster expansion of the market for Alaska as a
12 destination throughout the nation and the world is in the public interest
13 and is a valid public purpose. The legislature further finds that this
14 cooperative effort would inure to the benefit of the visitor industry in
15 the state and that some of the costs of maintaining the effort should be
16 borne by the industry. The legislature further finds that expansion of the
17 economic benefit of tourism is in the public interest and the state should
18 take an active interest in the ensurance of a quality experience for visi-
19 tors to the state, cooperate with the private sector in improving the
20 amenities available to visitors to the state, and seek to ensure authentic
21 and accessible experiences for visitors [throughout the state.] not including

22 * Sec. 2. AS 39.25.110 is amended by adding a new paragraph to read:

23 (25) the executive director and other staff of the Alaska
24 Tourism Marketing Council.

25 * Sec. 3. AS 39.50.200(a)(8) is amended to read:

26 (8) "public official" means a judicial officer, a member of
27 the legislature, the fiscal analyst of the legislative finance divi-
28 sion, the legislative auditor of the legislative audit division, the
29 executive director of the Legislative Affairs Agency and the directors

1 of the divisions within the Legislative Affairs Agency, the governor,
2 the lieutenant governor, a person hired or appointed as the head or
3 deputy head of, or director of a division within, a department in the
4 executive branch, an assistant to the governor, chairman or member of
5 a state commission or board, the executive director of the Alaska
6 Tourism Marketing Council, and each appointed or elected municipal
7 officer;

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

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

10 * Sec. 5. AS 44.33 is amended by adding a new section to article 2 to
11 read:

12 Sec. 44.33.119. PURPOSES. The purposes of AS 44.33.119 - 44.-
13 33.135 and 44.33.700 - 44.33.780 are to

14 (1) encourage the expansion and growth of the state's visi-
15 tor industry for the benefit of the citizens of the state;

16 (2) ensure that the economic benefits to be derived from
17 tourism in the state are retained in the state, to the extent practi-
18 cable;

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

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

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

27 (6) ensure that the visitor experience in the state is and
28 continues to be satisfactory and leads to word-of-mouth advertising
29 and return visits to the state;

Addresses issue of development that would impact existing business

1 (7) ensure that consideration is given in the development
2 and implementation of the tourism program to local community goals and
3 objectives, to impacts on existing private enterprises, and to impacts
4 on recreational and subsistence opportunities for the residents of the
5 state.

6 * Sec. 6. AS 44.33.120 is amended to read:

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

12 (b) The Alaska division of tourism shall

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

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

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

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

24 (A) publicizing state attractions through such means
25 as display advertising in magazines and newspapers, advertising
26 on radio and television or other advertising media, publishing
27 pamphlets, brochures and other graphic and pictorial materials,
28 or by aiding and assisting representatives of the media, to en-
29 sure [INSURE] greater coverage of the [ALASKA'S] visitor attrac-

1 tions in the state;

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

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

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

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

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

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

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

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

24 (J) administering grants under AS 44.33.135.

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

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

5 Sec. 44.33.122. ESTABLISHMENT OF TOURISM COORDINATING COMMITTEE.

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

8 (b) The committee is established to advise the division of
9 tourism and to coordinate the activities of state agencies that affect
10 tourism.

11 (c) The committee shall

12 (1) provide a forum to develop interagency goals for visi-
13 tor attraction and services that are consistent with the public in-
14 terest and that will provide increased economic benefits to the vari-
15 ous regions of the state; *not simply limiting to 10,000 sq. miles. tourism
600,000 sq. miles of land*

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

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

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

25 (d) The committee may hold formal or informal meetings concerned
26 with the responsibilities assigned under this section and with other
27 associated responsibilities. The committee may appoint subcommittees
28 and may consider topics at meetings with less than the entire member-
29 ship of the committee present.

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

5 (1) Office of the Governor (office of management and bud-
6 get, international trade);

7 (2) Department of Commerce (tourism, business development);

8 (3) Department of Community and Regional Affairs;

9 (4) Department of Education (state museums);

10 (5) Department of Environmental Conservation;

11 (6) Department of Fish and Game (sport fish, habitat,
12 fisheries rehabilitation, enhancement, and development);

13 (7) Department of Labor;

14 (8) Department of Natural Resources (parks, forestry, land
15 and water, and historic preservation);

16 (9) Department of Revenue (taxation and revenue considera-
17 tions);

18 (10) Department of Transportation and Public Facilities
19 (airports, ferry system, highways);

20 (11) University of Alaska (Center for International Busi-
21 ness);

22 (12) Alaska Railroad.

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

24 Sec. 44.33.135. GRANTS FOR PROMOTION OR DEVELOPMENT OF VISITOR
25 TRAVEL. (a) A municipality, a nonprofit corporation formed under
26 AS 10.20, or a bona fide nonprofit civic, fraternal, or service orga-
27 nization may receive, as a grant, matching money from the state for up
28 to 50 percent of the costs of a program or project that the director
29 of tourism determines is consistent with the purposes of AS 44.33.119

1 and is likely to promote or develop visitor travel, including
2 (1) the promotion of conventions;
3 (2) the construction, improvement, or operation of visitor
4 destination facilities and tourist attractions; and
5 (3) the development and preservation of attractions of
6 historical, contemporary, recreational, or cultural interest.

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

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

10 ARTICLE 10. ALASKA TOURISM MARKETING COUNCIL.

11 Sec. 44.33.700. ALASKA TOURISM MARKETING COUNCIL ESTABLISHED.
12 The Alaska Tourism Marketing Council is established as a public corpo-
13 ration of the state. It is an instrumentality of the state in the
14 Department of Commerce and Economic Development, but has a legal
15 existence independent of and separate from the state. Exercise by the
16 council of the powers conferred by AS 44.33.700 - 44.33.780 is an
17 essential governmental function of the state.

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

24 (b) If the commissioner determines that it is in the best
25 interests of the state to promote the state as a destination through
26 the cooperative marketing program, the commissioner shall contract
27 with a single qualified trade association to jointly manage the coun-
28 cil if the trade association agrees that, before the end of each
29 fiscal year that the contract covers, the association will contribute

2105 to
Sec. 12

1 at least 15 percent of the total operating expenses of the council for
2 that fiscal year. The term of a contract under this section may not
3 exceed two years.

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

8 (1) a board member shall

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

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

12 (C) be an officer or a senior staff member of a local
13 government or nonprofit enterprise established to promote the
14 visitor industry; or

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

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

24 (3) the governor shall appoint 10 board members; each board
25 member appointed by the governor serves at the pleasure of the gover-
26 nor; in making appointments to the board under this paragraph, the
27 governor shall ensure that the board, including members selected under
28 (2) of this subsection, is broadly representative of the different
29 regions of the state and the various sectors of the visitor industry;

1 (4) 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, and any action by the board requires 11 affirmative votes;

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

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

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

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

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

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

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

27 Sec. 44.33.720. EMPLOYEES. The board of directors of the coun-
28 cil may employ and determine the salary of the staff of the council,
29 which may include an executive director and no more than two other

SALARY ↑ + 400,

1 employees. The executive director and the employees of the council
2 shall be paid salaries that are comparable to salaries paid to employ-
3 ees of the state. If there is no executive director, the staff of the
4 council is supervised by the presiding officer of the board.

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

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

1 to and inside the state;

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

5 (13) provide space to a qualified trade association in
6 publications and promotional materials developed by the council if the
7 trade association has contracted with the department under AS 44.33.-
8 710(b) and pays its pro rata share of the production costs for the
9 publication or promotional material; payment under this paragraph is
10 not part of the association's required contribution under AS 44.33.-
11 710(b).

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

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

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

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

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

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

24 (5) annually submit a proposed operating budget to the
25 director, to be used by the Department of Commerce and Economic Devel-
26 opment to prepare and submit the operating budget of the council under
27 AS 44.33.750;

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

Director must comply with requests for advice

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

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

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

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

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

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

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

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

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

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

26 (5) "qualified trade association" means a private, nonprof-
27 it organization whose primary purpose is the promotion of tourism to
28 and within the state and which has a statewide membership comprised of
29 representatives of all major sectors of the visitor industry,

1 including without limitation hotels, airlines, cruise lines, wholesale
2 and retail travel agencies, visitor attractions, and convention and
3 visitors bureaus.

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

6 (15) Alaska Tourism Marketing Council (AS 44.33.700) --
7 June 30, 1993;

8 (16) Tourism Coordinating Committee (AS 44.33.122) --
9 June 30, 1993.

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

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

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

- 22 (1) four members shall serve for one year;
23 (2) three members shall serve for two years; and
24 (3) three members shall serve for three years.

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

WALLIS

No problem

House CS for CS for SB478 (Finance)

Amendment No. 1

Sec. 5

Sec. 44.33.119 PURPOSES

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

SEE SEC. 8 - ADD¹ GOOD BALANCE
REGIONS 43

House CS for CS for SB478 (Finance)

Amendment No. 2

Sec. 5

Sec. 44.33.119. PURPOSES

Add:

(8) promote the development of tourism opportunities in the rural areas of our State.

Releas; page 4 (22-24)
Relate to 2002 41 FOR FINANCE
DEAD WEIGHT

Amendment #3

Sec.9

Article 10. ALASKA TOURISM MARKETING COUNCIL

Sec. 44.33.710. (c) (1)

(E) have experience in promoting tourism involving the Alaska Native community, including the marketing of Alaska Native arts and crafts.

Original sponsor: Rules/Governor

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 478 (State Affairs)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

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

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

9 * Section 1. FINDINGS. The legislature finds that a cooperative effort
10 between the state and private industry to support and expand the visitor
11 industry of the state and to foster expansion of the market for Alaska as a
12 destination throughout the nation and the world is in the public interest
13 and is a valid public purpose. The legislature further finds that this
14 cooperative effort would inure to the benefit of the visitor industry in
15 the state and that some of the costs of maintaining the effort should be
16 borne by the industry. The legislature further finds that revision and
17 expansion of the traditional concepts of tourism are in the public interest
18 and the state should take an active interest in the ensurance of a quality
19 experience for visitors to the state, cooperate with the private sector in
20 improving the amenities available to visitors to the state, and seek to
21 ensure authentic and accessible experiences for visitors to the state.

22 * Sec. 2. AS 39.25.110 is amended by adding a new paragraph to read:

23 (25) the executive director and other staff of the Alaska
24 Tourism Marketing Council.

25 * Sec. 3. AS 39.50.200(a)(8) is amended to read:

26 (8) "public official" means a judicial officer, a member of
27 the legislature, the fiscal analyst of the legislative finance divi-
28 sion, the legislative auditor of the legislative audit division, the
29 executive director of the Legislative Affairs Agency and the directors

1 of the divisions within the Legislative Affairs Agency, the governor,
2 the lieutenant governor, a person hired or appointed as the head or
3 deputy head of, or director of a division within, a department in the
4 executive branch, an assistant to the governor, chairman or member of
5 a state commission or board, the executive director of the Alaska
6 Tourism Marketing Council, and each appointed or elected municipal
7 officer;

8 * Sec. 4. AS 39.50.200(b) is amended by adding a new paragraph to read:
9 (49) Alaska Tourism Marketing Council (AS 44.33.700).

10 * Sec. 5. AS 44.33 is amended by adding a new section to article 2 to
11 read:

12 Sec. 44.33.119. PURPOSES. The purposes of AS 44.33.119 - 44.-
13 33.135 and 44.33.700 - 44.33.780 are to

14 (1) encourage the expansion and growth of the state's visi-
15 tor and recreation industries for the benefit of the citizens of the
16 state;

17 (2) ensure that the economic benefits to be derived from
18 tourism in the state are retained in the state, to the extent practi-
19 cable;

20 (3) ensure that the maximum number of residents of the
21 state are employed in the tourism industry;

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

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

28 (6) ensure that the visitor experience in the state is and
29 continues to be satisfactory and leads to word-of-mouth advertising

and return visits to the state;

(7) ensure that consideration is given to local community goals and objectives and the impacts on recreational and subsistence opportunities for the residents of the state in the development and implementation of the tourism program.

* Sec. 6. AS 44.33.120 is amended to read:

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

(b) The Alaska division of tourism shall

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

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

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

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

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

attractions in the state;

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

(C) increasing [(5) INCREASE] the awareness of the citizens of the state at the statewide, regional and community level of the economic importance of the tourist industry;

(D) assisting [(6) ASSIST] potential investors in creating new tourist facilities;

(E) administering [(7) ADMINISTER] any program of the state in which the state provides matching funds for municipalities of the state [POLITICAL SUBDIVISIONS] or nonprofit organizations that undertake the promotion and development of visitor travel to and in the state [TOURISM];

(F) administering [(8) ADMINISTER] visitor information centers; [WHICH PARTICIPATE IN STATE FUNDS]

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

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

(I) organizing, administering, and evaluating demonstration projects for the promotion of the Alaska visitor industry and the development of new tourism destination markets; and

(J) administering grants under AS 44.33.135.

(c) The commissioner of administration shall separately account for money that derives from the sale of advertising space, pamphlets, brochures, and other graphic and pictorial materials under this section and AS 44.33.020(28) and that the division of tourism deposits in the general fund. The annual estimated balance in the account may be used by the legislature to make appropriations to the Department of Commerce and Economic Development to cover related costs of the

division of tourism.

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

Sec. 44.33.122. ESTABLISHMENT OF TOURISM COORDINATING COMMITTEE.

(a) The Tourism Coordinating Committee is established in the Department of Commerce and Economic Development.

(b) The committee is established to coordinate the responsibilities of state agencies that affect tourism.

(c) The committee shall

(1) provide a forum to develop the goals for the division such as increased local hire in tourism, an increased emphasis on attraction to the state of travelers who do not come with organized tours and the support of worthwhile local entrepreneurial and community tourism ventures;

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

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

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

(d) The committee may hold formal or informal meetings concerned with the responsibilities assigned under this section and with other associated responsibilities. The committee may appoint subcommittees and may consider topics at meetings with less than the entire membership of the committee present.

Sec. 44.33.124. MEMBERSHIP OF THE TOURISM COORDINATING COMMITTEE. The governor shall appoint the members of the Tourism

Coordinating Committee. Members may be appointed from the operational level of state agencies and may include representatives from the following:

- (1) Office of the Governor (office of management and budget, international trade);
- (2) Department of Commerce (tourism, business development);
- (3) Department of Community and Regional Affairs;
- (4) Department of Education (state museums);
- (5) Department of Environmental Conservation;
- (6) Department of Fish and Game (sport fish, habitat, fisheries rehabilitation, enhancement, and development);
- (7) Department of Labor;
- (8) Department of Natural Resources (parks, forestry, land and water, and historic preservation);
- (9) Department of Revenue (taxation and revenue considerations);
- (10) Department of Transportation and Public Facilities (airports, ferry system, highways);
- (11) University of Alaska (Center for International Business);
- (12) Alaska Railroad.

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

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

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

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

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

ARTICLE 10. ALASKA TOURISM MARKETING COUNCIL.

Sec. 44.33.700. ALASKA TOURISM MARKETING COUNCIL ESTABLISHED.

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

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

(b) Unless the commissioner determines that it would not be in the best interests of the state, the commissioner shall contract with a single qualified trade association to jointly manage the council if the trade association agrees that, before the end of each fiscal year that the contract covers, the association will contribute at least 15 percent of the total operating expenses of the council for that fiscal year. The term of a contract under this section may not exceed two

years.

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

(1) a board member shall

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

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

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

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

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

(3) the governor shall appoint 10 board members; each board member appointed by the governor serves at the pleasure of the governor; in making appointments to the board under this paragraph, the governor shall ensure that the board, including members selected under (2) of this subsection, is broadly representative of the different regions of the state;

(4) eleven members of the board constitute a quorum for the transaction of business and the exercise of the powers and duties of

the board, and any action by the board requires 11 affirmative votes;

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

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

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

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

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

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

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

Sec. 44.33.720. EMPLOYEES. The board of directors of the council may employ and determine the salary of the staff of the council, which may include an executive director and no more than two other employees. If there is no executive director, the staff of the council is supervised by the presiding officer of the board.

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

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

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

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

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

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

13 (6) receive contributions of money;

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

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

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

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

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

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

29 (13) provide space in publications and promotional materials

1 developed by the council to a qualified trade association that has
2 contracted with the department under AS 44.33.710(b) if the trade
3 association pays its pro rata share of production costs for the publi-
4 cation or promotional material; payment under this paragraph is not
5 part of the association's required contribution under AS 44.33.710(b);
6 and

7 (14) grant distribution rights to mailing lists developed by
8 the council under regulations adopted by the commissioner.

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

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

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

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

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

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

22 (5) annually submit a proposed operating budget to the
23 director, to be used by the Department of Commerce and Economic Devel-
24 opment to prepare and submit the operating budget of the council under
25 AS 44.33.750; and

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

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

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

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

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

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

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

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

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

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

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

29 * Sec. 10. AS 44.66.010(a) is amended by adding a new paragraph to

1 read:

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

4 * Sec. 11. AS 44.33.130, 44.33.140, 44.33.145, 44.33.150, 44.33.160,
5 44.33.170, and 44.33.180 are repealed.

6 * Sec. 12. If the commissioner of commerce and economic development
7 contracts with a qualified trade association under AS 44.33.710(b), enacted
8 in sec. 9 of this Act, initial appointments by the governor to the board of
9 directors of the Alaska Tourism Marketing Council under AS 44.33.710(c)(4),
10 enacted in sec. 9 of this Act, shall be made for the following terms:

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

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

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

14 * Sec. 13. This Act takes effect July 1, 1988.
15
16
17
18
19
20
21
22

STATE OF ALASKA
THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY

LEGISLATIVE REFERENCE LIBRARY

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

HSA	4-20-88	3:00p.m.
HSA	4-22-88	3:00p.m.

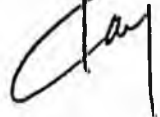
Kay Brown

Alaska State Legislature House of Representatives

TO: Reps. Ellis, Ulmer,
Donley and Pearce

April 10, 1988

FROM: Rep. Kay Brown



SUBJECT: New Directions
in Tourism Policy

Tourism: A Development Challenge

Like many other exotic locales, the physical experience of Alaska is authentic and overwhelming. Like other multi-billion dollar resources, the pristine nature and high quality of the Alaska experience is a resource that needs active state management to realize its full potential.

Compare the situation to the Alaska fishery; a great deal of attention is now paid to the management of the resource enterprise, from hatcheries, to limited entry, to quality assurance.

The tourism enterprise is equally valuable but we have left it almost entirely to the private market to dictate the terms of that enterprise, even though the public owns and/or manages the major tourism venues (such as national/state parks, fish and wildlife resources). Those that are not owned by the public appear now to be purchased, in an integrated fashion, by large, non-Alaska corporations; others are being constructed by international development firms.

The question is, what is the role of the State in ensuring the maximum benefits of tourism as an economic sector, a visitor experience, and as a community amenity? How can we assure that the travel and recreation industries are developed in the best interests of the people of Alaska?

While the Division of Tourism and the Tourism Marketing Council (a group historically dominated by the major travel companies) manage extensive advertisement of Alaska in the United States geared to the traditional summer season, an effective effort has not yet been developed to reach foreign markets or to increase tourism in the fall/winter/spring seasons. Further, the advertising effort does not effectively reach independent travelers, who spend up to five times more than visitors who visit Alaska on

P. O. Box 20-2661
Anchorage, AK 99520-2661
(907) 272-0207

During Session:
P. O. Box V
Juneau, AK 99811
(907) 465-4998

a package tour. In addition, there is very little effort or inter-agency coordination to ensure that other state goals are achieved.

Tourism Policy Goals

The goals of our tourism development policy should be to ensure that:

- a maximum number of Alaskans are employed in the industry;
- economic benefits are retained in the state;
- the visitor experience is and continues to be a satisfactory one (leading to word-of-mouth advertising and return visits);
- tourism is consistent with local community objectives; and
- recreational and subsistence opportunities are preserved for Alaskans.

Like the governments of state and small countries heavily reliant on recurring tourism (such as Hawaii, Switzerland, Austria, Tahiti, the French West Indies), Alaska should have an active interest in quality assurance, improving amenities, guaranteeing authenticity, and providing access to the experience.

Coordination lacking

The existing agencies with tourism involvement do not have the charter or capacity to do more than coordinate closely and routinely with one another, something that does not occur now. They also have no common philosophy, goals, or procedures for dealing with the private tourism and travel industries. They also fail to deal on a routine basis with the communities affected by tourism. Most of the agencies lack expertise in travel and tourism development.

Now, in fact, the state does not have a tourism development policy beyond a commitment to its generic marketing campaign. The state does maintain public facilities, but many are in disrepair and are inadequate to handle current demands.

Tourism Policy Board

The state should create an entity to complement the Tourism Marketing Council that would be formally established by passage of SB 478. The new entity (possibly called Tourism Policy Board) would be a policy-making group composed of state agency representatives. The Tourism Marketing Council would continue to carry out the advertising program.

The Tourism Policy Board would provide a forum for policy development and coordination of existing and new state programs related to tourism and travel.

The Tourism Policy Board would provide a forum for

- discussion and development of monetary and non-monetary goals (such as increased local hire in tourism, increased emphasis on attracting independent travelers, support of worthwhile small local entrepreneurial tourism ventures, stimulating long-term infrastructure development);
- conducting analyses of problems (such as the vertical integration of the tourism industry; capital shortage in tourism -- money, plans, experience, technical assistance; how to increase Alaska ownership of facilities that serve the tourism market; and resource development conflicts) and solutions (such as successful models for tourism development and industry management in other states and countries);
- developing, reviewing and making recommendations to the Governor on budget requests for tourism development, including infrastructure and fishing, boating and recreation access needs (capital budget), and advertising and research (operating budget);
- coordinating projects with federal and local agencies.

Representatives from these agencies would be appropriate to serve on the Tourism Policy Board:

- Governor's Office (OMB, International Trade)
- Commerce (Tourism, Business Development)
- Natural Resources (Parks, Land & Water Management, Forestry)
- Fish and Game (Sport Fish, Habitat, FRED)
- DOTPF (Airports, Ferry System, Roads)
- Education (State Museums)
- Community and Regional Affairs
- Labor
- Environmental Conservation
- University (Center for International Business)
- Revenue (?) (to consider taxation questions)

Tourism Policy Task Force

In addition to an on-going state agency coordinating board, it would be appropriate to establish a one-time Tourism Policy Task Force to obtain public participation in formation of tourism policy. The Task Force should be appointed by the Governor and asked to report to the Governor and Legislature by January 15, 1989, on options for further developing the tourism industry in the best interests of the people of Alaska.

The Tourism Policy Task Force could include representatives of

- Alaska Railroad Corp.
- Alaska Municipal League
- federal agencies, such as National Park Service
- Anchorage Economic Development Corp.
- Native institutions, such as Alaska Federation of Natives, Native Regional and Village Corporations
- Alaska Visitor Association
- Chambers of Commerce
- local tourism councils
- Alaska Oil and Gas Association
- Resource Development Council
- Commonwealth North
- Olympic Organizing Committee
- Iditarod Committee
- local park advisory boards
- environmental groups
- recreational groups

The Tourism Policy Task Force could be a low-budget operation by utilizing the teleconference network for meetings. The group would take public testimony and prepare a written report.

Action needed now

These actions should be taken immediately to implement a more comprehensive tourism development policy:

- Pass HB 423 (tourism capital projects bill);
- Increase operating budget for tourism research and advertising (increment being developed by House Finance Commerce Subcommittee);
- Amend SB 478 to articulate a new tourism policy direction and to establish the Tourism Policy Board and Tourism Policy Task Force; and

- Ask the House Research Agency to conduct interim research on models for investigation, discussion and action which operate in other states and countries.

This proposal represents a synthesis of ideas developed in the Tourism Working Group and the House Finance Department of Commerce Subcommittee. I would appreciate hearing your thoughts as soon as possible.

STEVE COWPER
GOVERNOR



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-

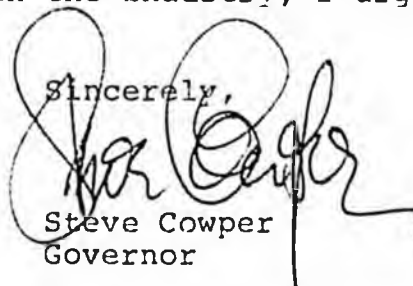
nizations for the construction or operation of visitor information centers (AS 44.33.150) or for the development of tourist attractions of historical or contemporary interest. AS 44.33.170. Existing grant statutes are repealed (sec. 8 of the bill), and the substance of them is reorganized into proposed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



Steve Cowper
Governor

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						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

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: _____
Division: Senator Rick Halford, Co-chairman
Senate Finance Committee

Phone: 465-3753
Date: 4/7/88

Approved by Commissioner: _____
Agency: _____

Date: _____

Distribution (by preparer):

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

STATE OF ALASKA
1988 LEGISLATIVE SESSION

BILL VERSION: CSSB 478 (I.T)
PUBLISH DATE: (SENATE) 3/16/88

FISCAL NOTE

REQUEST:

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

EXPENDITURES / REVENUES : (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	[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]
---------	---	-------------	-------------	-------------	-------------	-------------

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: J. Anthony Smith Date: 2/16/88
Agency: Department of Commerce and Economic Development

Distribution (by preparer):

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

07950-3/021188d

CS SB 478 (I.T.)^(a)
(SENATE) 3/16/88

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.

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

Sec 2

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 un r
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.

have 3 grant programs need

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 (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.

Original sponsor: Rules/Governor

1 IN THE SENATE

2 HOUSE CS FOR CS FOR 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 the state and to foster expansion of the market for Alaska as a
12 destination throughout the nation and the world is in the public interest
13 and is a valid public purpose. The legislature further finds that this
14 cooperative effort would inure to the benefit of the visitor industry in
15 the state and that some of the costs of maintaining the effort should be
16 borne by the industry. The legislature further finds that a revision and
17 an expansion of the traditional concepts of tourism is in the public in-
18 terest and the state should take an active interest in the ensurance of a
19 quality experience for visitors to the state, cooperate with the private
20 sector in improving the amenities available to visitors to the state, and
21 seek to ensure authentic and accessible experiences for visitors to the
22 state.

23 * Sec. 2. AS 39.25.110 is amended by adding a new paragraph to read:

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

26 * Sec. 3. AS 39.50.200(a)(8) is amended to read:

27 (8) "public official" means a judicial officer, a member of
28 the legislature, the fiscal analyst of the legislative finance divi-
29 sion, the legislative auditor of the legislative audit division, the

1 executive director of the Legislative Affairs Agency and the directors
2 of the divisions within the Legislative Affairs Agency, the governor,
3 the lieutenant governor, a person hired or appointed as the head or
4 deputy head of, or director of a division within, a department in the
5 executive branch, an assistant to the governor, chairman or member of
6 a state commission or board, the executive director of the Alaska
7 Tourism Marketing Council, and each appointed or elected municipal
8 officer;

9 * Sec. 4. AS 39.50.200(b) is amended by adding a new paragraph to read:
10 (49) Alaska Tourism Marketing Council (AS 44.33.171).

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

12 ARTICLE 2. TOURISM.

13 Sec. 44.33.121. PURPOSES. The purposes of AS 44.33.121 - 44.-
14 33.231 are to

15 (1) encourage the expansion and growth of the state's visi-
16 tor and recreation industries for the benefit of the citizens of the
17 state;

18 (2) ensure that the economic benefits to be derived from
19 tourism in the state are retained in the state;

20 (3) ensure that the maximum number of residents of the
21 state are employed in the tourism industry;

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

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

28 (6) ensure that the visitor experience in the state is and
29 continues to be satisfactory and leads to word-of-mouth advertising