

SENATE BILL REPORT

SHB 1276

As Reported By Senate Committee On:
Economic Development, Trade & Management, March 20, 2007
Ways & Means, March 30, 2007

Title: An act relating to creating a public-private tourism partnership.

Brief Description: Creating a public-private tourism partnership.

Sponsors: House Committee on Community & Economic Development & Trade (originally sponsored by Representatives Linville, McDonald, Dunshee, Chase, Upthegrove, Strow, Dunn, Haler, VanDeWege, McCune, Kenney, Roberts and Morrell; by request of Governor Gregoire).

Brief History: Passed House: 3/08/07, 94-2.

Committee Activity: Economic Development, Trade & Management: 3/20/07 [DPA-WM].
Ways & Means: 3/30/07 [DPA(EDTM)].

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & MANAGEMENT

Majority Report: Do pass as amended and be referred to Committee on Ways & Means.

Signed by Senators Kastama, Chair; Kilmer, Vice Chair; Zarelli, Ranking Minority Member; Clements, Kauffman and Shin.

Staff: Jack Brummel (786-7428)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended by Committee on Economic Development, Trade & Management.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Pridemore, Vice Chair, Operating Budget; Zarelli, Ranking Minority Member; Brandland, Carrell, Fairley, Hatfield, Hewitt, Hobbs, Honeyford, Keiser, Kohl-Welles, Oemig, Parlette, Rasmussen, Regala, Roach, Rockefeller, Schoesler and Tom.

Staff: Richard Ramsey (786-7412)

Background: Washington's travel-related spending in inflation-adjusted dollars has grown at about 2 percent per year over the past 15 years, approaching \$13 billion in 2005. Travel-generated employment in Washington during 2005 totaled 143,700 jobs, which is 3.9 percent of all jobs in the state, at an average salary of \$26,400 per year.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The state convention and trade center account was created in 1982 to manage the funds related to the construction and operation of the State Convention and Trade Center in Seattle.

The tourism development and promotion account was created by referendum in 1997. Funds in the account, raised by the Department of Community, Trade and Economic Development (CTED) or from international games at the Seahawks Stadium, are to be used by CTED to expand and promote tourism.

Washington's Tourism Development Advisory Committee was created in 1998 to review and comment on CTED's tourism development plan and the performance of its other tourism development activities.

Summary of Substitute Bill: The Washington Tourism Development Advisory Committee is to be replaced by the Washington Tourism Commission. The commission is to have 19 members: 13 appointed by the Governor; four legislators; and two ex-officio members, the Chairman of the Washington Convention and Trade Center and the Director of CTED. The Director of CTED is to appoint the Executive Director of the commission. Staff supporting the commission is to be provided by CTED but report to the Executive Director of the commission.

The commission is to develop and update a six-year strategic plan that includes: (1) promoting Washington as a destination; (2) providing information on tourism opportunities; (3) assisting with local tourism partnerships and tourism plans; and (4) coordinating the development of a statewide tourism marketing plan. In addition, the commission may solicit revenue for tourism, host meetings related to eco-tourism, conduct studies, and provide technical assistance.

The commission is to administer a tourism competitive grant program to enhance local tourism-related activities and is to report annually to the Legislature on its activities and the return on the state's investment.

The tourism enterprise account is created. Funds in the account are raised by the commission or transferred from the state convention and trade center account.

Starting in fiscal year (FY) 2008, up to \$4 million per FY may be transferred to the tourism enterprise account and up to \$500,000 per FY may be transferred to the tourism development and promotion account from the convention and trade center account. Expenditures from the state convention and trade center account may be used on the Museum of History and Industry, or other approved expansions of the convention center.

CTED's current tourism-related statutory duties are eliminated.

EFFECT OF CHANGES MADE BY RECOMMENDED AMENDMENT(S) AS PASSED COMMITTEE (Economic Development, Trade & Management): Of the three members of the new commission to be appointed from the lodging industry, two will be chosen from lists submitted by the state's largest lodging industry trade association.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: Yes.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony (Economic Development, Trade & Management):

PRO: Of the three Commission members to represent the lodging industry, the House chose to have only one member be selected by the Governor from a list of three nominees submitted by the lodging industry trade association. The local grant program has an accountable way to fund local events with the matching requirement.

OTHER: The Senate version of the bill is preferred with two members representing the lodging industry being chosen from nominees submitted by the association. It would be better to have three names for executive director submitted by the Commission to the CTED Director than to have the selection just be in consultation with the Commission.

Persons Testifying (Economic Development, Trade & Management): PRO: Representative Linville; Becky Bogard, Washington Association of Convention and Visitors Bureaus; Doug Levy, City of Federal Way.

OTHER: T.K. Bentler, Washington State Hotel and Lodging Association.

Staff Summary of Public Testimony (Ways & Means): None.

Persons Testifying (Ways & Means): No one.