
SUBSTITUTE HOUSE BILL 2229

State of Washington

63rd Legislature

2014 Regular Session

By House Community Development, Housing & Tribal Affairs (originally sponsored by Representatives Morris, Smith, Appleton, Haler, Moscoso, Tarleton, Roberts, Ryu, Habib, and Bergquist)

READ FIRST TIME 02/05/14.

1 AN ACT Relating to long-term funding for a state tourism marketing
2 program; and creating new sections.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** (1) The legislature finds that after the
5 termination of funding for the state tourism office, the Washington
6 tourism alliance, a statewide industry organization with members from
7 all sectors of the tourism industry, has maintained a basic state
8 tourism marketing program. In spite of that, competition from other
9 states and provinces has caused Washington state's percentage growth of
10 tourism to be below the national average. Tourism is the fourth
11 largest export industry in Washington state, employs more than one
12 hundred fifty-three thousand individuals, and contributes significantly
13 to state and local tax revenues. It is composed of large and small
14 businesses from all corners of Washington state. Because of the number
15 and diversity of businesses in the tourism industry and the desire to
16 prevent further decline in the state's tourism industry, the
17 legislature finds that it is in the state's best interest to identify
18 a long-term, significant source of funding that can only be used for
19 implementing a state tourism marketing program. The program should be

1 supported by contributions from the primary business sectors of the
2 state's tourism industry. The legislature also finds that a state
3 tourism marketing program is best governed by the businesses and
4 entities that contribute funding, including in-kind contributions.

5 (2) It is the intent of the legislature to enact the structure of
6 a mechanism that will provide funding for a state tourism marketing
7 program, including the sources of funding and governance organization
8 which will determine the specific use and allocation of the funds.
9 Further, it is the intent of the legislature that appropriate state
10 agencies will work with the Washington tourism alliance to devise a
11 plan to collect funds necessary for a state tourism marketing program
12 and ensure that the funds are used only for that purpose.

13 NEW SECTION. **Sec. 2.** (1) The Washington tourism alliance has
14 determined that a reasonable amount to initially implement a state
15 tourism marketing program is seven million five hundred thousand
16 dollars. It is intended for this amount to be raised from five major
17 sectors of the tourism industry. These sectors are lodging, food
18 service, attractions and entertainment, retail, and transportation.
19 Based on the North American classification system codes that make up
20 each sector, it is intended for these sectors to contribute the
21 following amounts in a manner to be described in the report required
22 under subsection (2) of this section:

- 23 (a) Lodging - two million four hundred thousand dollars;
- 24 (b) Food service - two million one hundred thousand dollars;
- 25 (c) Attractions and entertainment - nine hundred seventy-five
26 thousand dollars;
- 27 (d) Retail - one million four hundred twenty-five thousand dollars;
- 28 and
- 29 (e) Transportation - six hundred thousand dollars.

30 (2) By December 1, 2014, a report must be submitted to the
31 appropriate legislative committees from the Washington tourism alliance
32 proposing the manner in which the amounts allocated to each sector will
33 be collected and the mechanism that can be used to ensure that the
34 funds are used only by the Washington tourism alliance for a state
35 tourism marketing program including its administration. The
36 legislature must direct the appropriate agencies of state government to
37 work with the Washington tourism alliance to assist in developing the

1 collection method. These agencies include but are not limited to the
2 department of revenue, department of commerce, the state treasurer's
3 office, and the secretary of state.

4 (3) In addition to the five sectors in subsection (1) of this
5 section, the Washington tourism alliance must identify and include in
6 the report other tourism sectors, businesses, and government entities
7 which are part of the tourism industry and could provide additional
8 funding for a state marketing program.

9 NEW SECTION. **Sec. 3.** (1) As part of the report to the legislature
10 required under section 2(2) of this act, the Washington tourism
11 alliance must include a proposal for a governance structure which will
12 determine the use of the funds, including a method to report on the
13 effectiveness of the state tourism marketing plan. The report must
14 also include a method for stopping the collection of funds from the
15 sectors noted in section 2(1) of this act if the board determines that
16 the funds are not being used in an appropriate manner.

17 (2) The governance structure must include a board with a majority
18 of representatives from the five sectors noted in section 2(1) of this
19 act. Representatives from destination marketing organizations must
20 also be included on the board. The board members must be chosen to
21 ensure broad geographic representation and diversity in the size of
22 businesses. Other representatives may be chosen from businesses and
23 entities that voluntarily make a significant contribution to state
24 tourism marketing funding. All board members must represent the
25 interests of the entire state.

26 (3) Initial board appointments must be made by the current
27 Washington tourism alliance board. Statewide trade associations that
28 represent any of the sectors noted in section 2(1) of this act must
29 submit nominations from their sector for the board. The nominations
30 must reflect the size and geographic diversity of the sector
31 represented by the trade association and must be at least twice the
32 number of positions to be filled by the nominations. Initial and
33 subsequent board appointments must be made from these nominations.

34 (4) The governance structure must include a proposal for a
35 marketing committee and an executive committee. The marketing

1 committee may include representatives from the tourism industry who are
2 not members of the board.

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