

E4SSB 5251 - H COMM AMD

By Committee on Community Development, Housing & Tribal Affairs

ADOPTED 03/02/2018

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** FINDINGS AND PURPOSE. (1) The legislature
4 finds that the tourism industry is the fourth largest economic sector
5 in the state of Washington and provides general economic benefit to
6 the state. Since 2011 there have been minimal general funds committed
7 to statewide tourism marketing and Washington is the only state
8 without a state-funded tourism marketing program. Before 2011, the
9 amount of funds appropriated to statewide tourism marketing was not
10 significant and, in fact, Washington ranked forty-eighth in state
11 tourism funding. Washington has significant attractions and
12 activities for tourists, including many natural outdoor assets that
13 draw visitors to mountains, waterways, parks, and open spaces. There
14 should be a program to publicize these assets and activities to
15 potential out-of-state visitors that is implemented in an expeditious
16 manner by tourism professionals in the private sector.

17 (2) The purpose of this act is to establish the framework and
18 funding for a statewide tourism marketing program. The program needs
19 to have a structure that includes significant, stable, long-term
20 funding, and it should be implemented and managed by the tourism
21 industry. The source of funds should be from major sectors of the
22 tourism industry with government assistance in collecting these funds
23 and providing accountability for their expenditure. The dedicated
24 sales tax authorized for contributions made in this chapter will
25 bring direct benefits to those making contributions by bringing more
26 tourists into the state who will patronize the participating
27 businesses and create economic benefit for the state.

28 NEW SECTION. **Sec. 2.** DEFINITIONS. The definitions in this
29 section apply throughout this chapter unless the context clearly
30 requires otherwise.

1 (1) "Authority" means the Washington tourism marketing authority
2 created in section 3 of this act.

3 (2) "Board" means the Washington tourism marketing authority
4 board of directors.

5 (3) "Department" means the department of commerce.

6 (4) "Director" means the director of the department of commerce.

7 (5) "Statewide tourism marketing account" means the account
8 created pursuant to section 5 of this act.

9 NEW SECTION. **Sec. 3.** WASHINGTON TOURISM MARKETING AUTHORITY—
10 ESTABLISHED. (1) The Washington tourism marketing authority is
11 established as a public body constituting an instrumentality of the
12 state of Washington.

13 (2) The authority is responsible for contracting for statewide
14 tourism marketing services that promote tourism on behalf of the
15 citizens of the state, and for managing the authority's financial
16 resources.

17 (3) The department provides administrative assistance to the
18 authority and serves as the fiscal agent of the authority for moneys
19 appropriated for purposes of the authority.

20 (4) The authority must create a private local account to receive
21 nonstate funds and state funds, other than general fund state funds,
22 contributed to the authority for purposes of this chapter.

23 NEW SECTION. **Sec. 4.** BOARD OF DIRECTORS AND ADVISORY COMMITTEE.

24 (1) The authority must be governed by a board of directors. The board
25 of directors must consist of:

26 (a) Two members and two alternates from the house of
27 representatives, with one member and one alternate appointed from
28 each of the two major caucuses of the house of representatives by the
29 speaker of the house of representatives;

30 (b) Two members and two alternates from the senate, with one
31 member and one alternate appointed from each of the two major
32 caucuses of the senate by the president of the senate; and

33 (c) Nine representatives with expertise in the tourism industry
34 and related businesses including, but not limited to, hotel,
35 restaurant, outdoor recreation, attractions, retail, and rental car
36 businesses appointed by the governor.

37 (2) The initial membership of the authority must be appointed as
38 follows:

1 (a) By May 1, 2018, the speaker of the house of representatives
2 and the president of the senate must each submit to the governor a
3 list of ten nominees who are not legislators or employees of the
4 state or its political subdivisions, with no caucus submitting the
5 same nominee;

6 (b) The nominations from the speaker of the house of
7 representatives must include at least one representative from the
8 restaurant industry; one representative from the rental car industry;
9 and one representative from the retail industry;

10 (c) The nominations from the president of the senate must include
11 at least one representative from the hotel industry; one
12 representative from the attractions industry; and one representative
13 from the outdoor recreation industry; and

14 (d) The remaining member appointed by the governor must have a
15 demonstrated expertise in the tourism industry.

16 (3) By July 1, 2018, the governor must appoint four members from
17 each list submitted by the speaker of the house of representatives
18 and the president of the senate under subsection (2)(a) through (c)
19 of this section and one member under subsection (2)(d) of this
20 section. Appointments by the governor must reflect diversity in
21 geography, size of business, gender, and ethnicity. No county may
22 have more than two appointments and no city may have more than one
23 appointment.

24 (4) There must be a nonvoting advisory committee to the board.
25 The advisory committee must consist of:

26 (a) One ex officio representative from the department, state
27 parks and recreation commission, department of transportation, and
28 other state agencies as the authority deems appropriate; and

29 (b) One member from a federally recognized Indian tribe appointed
30 by the director of the department.

31 (5) The initial appointments under subsections (1) and (2) of
32 this section must be appointed by the governor to terms as follows:
33 Four members for two-year terms; four members for three-year terms;
34 and five members for four-year terms, which must include the chair.
35 After the initial appointments, all appointments must be for four
36 years.

37 (6) The board must select from its membership the chair of the
38 board and such other officers as it deems appropriate. The chair of
39 the board must be a member from the tourism industry or related
40 businesses.

1 (7) A majority of the board constitutes a quorum.

2 (8) The board must create its own bylaws in accordance with the
3 laws of the state of Washington.

4 (9) Any member of the board may be removed for misfeasance,
5 malfeasance, or willful neglect of duty after notice and a public
6 hearing, unless the notice and hearing are expressly waived in
7 writing by the affected member.

8 (10) If a vacancy occurs on the board, a replacement must be
9 appointed for the unexpired term.

10 (11) The members of the board serve without compensation but are
11 entitled to reimbursement, solely from the funds of the authority,
12 for expenses incurred in the discharge of their duties.

13 (12) The board must meet at least quarterly.

14 (13) No board member of the authority may serve on the board of
15 an organization that could be considered for a contract authorized
16 under section 6 of this act.

17 NEW SECTION. **Sec. 5.** STATEWIDE TOURISM MARKETING ACCOUNT. The
18 statewide tourism marketing account is created in the state treasury.
19 All receipts from tax revenues under section 9 of this act must be
20 deposited into the account. Moneys in the account may be spent only
21 after appropriation. Expenditures from the account may be used only
22 for expenditures of the department that are related to implementation
23 of a statewide tourism marketing program and operation of the
24 authority. A two-to-one nonstate or state fund, other than general
25 fund state, match must be provided for all expenditures from the
26 account. A match may consist of nonstate or state fund, other than
27 general fund state, cash contributions deposited in the private local
28 account created under section 3(4) of this act, the value of an
29 advertising equivalency contribution, or an in-kind contribution. The
30 board must determine criteria for what qualifies as an in-kind
31 contribution.

32 NEW SECTION. **Sec. 6.** USE OF FUNDS. (1) From amounts
33 appropriated to the department for the authority and from other
34 moneys available to it, the authority may incur expenditures for any
35 purpose specifically authorized by this chapter including:

36 (a) Entering into a contract for a multiple-year statewide
37 tourism marketing plan with a statewide nonprofit organization
38 existing on the effective date of this section whose sole purpose is

1 marketing Washington to tourists. The marketing plan must include,
2 but is not limited to, focuses on rural tourism-dependent counties,
3 natural wonders and outdoor recreation opportunities of the state,
4 attraction of international tourists, identification of local
5 offerings for tourists, and assistance for tourism areas adversely
6 impacted by natural disasters. In the event that no such organization
7 exists on the effective date of this section or the initial
8 contractor ceases to exist, the authority may determine criteria for
9 a contractor to carry out a statewide marketing program;

10 (b) Contracting for the evaluation of the impact of the statewide
11 tourism marketing program; and

12 (c) Paying for administrative expenses of the authority, which
13 may not exceed two percent of the state portion of funds collected in
14 any fiscal year.

15 (2) All nonstate moneys received by the authority under section 7
16 of this act or otherwise provided to the authority for purposes of
17 matching funding must be deposited in the authority's private local
18 account created under section 3(4) of this act and are held in trust
19 for uses authorized solely by this chapter.

20 NEW SECTION. **Sec. 7.** GIFTS OR GRANTS TO THE WASHINGTON TOURISM
21 MARKETING AUTHORITY. The board may receive gifts, grants, or
22 endowments from public or private sources that are made from time to
23 time, in trust or otherwise, for the use and benefit of the purposes
24 of the authority and spend gift, grants, or endowments or income from
25 public or private sources according to their terms, unless the
26 receipt of gifts, grants, or endowments violates RCW 42.17A.560.

27 NEW SECTION. **Sec. 8.** SHORT TITLE. This chapter may be known and
28 cited as the statewide tourism marketing act.

29 NEW SECTION. **Sec. 9.** A new section is added to chapter 82.08
30 RCW to read as follows:

31 (1) Beginning July 1, 2018, 0.2 percent of taxes collected
32 pursuant to RCW 82.08.020(1) on retail sales of lodging, car rentals,
33 and restaurants must be deposited into the statewide tourism
34 marketing account created in section 5 of this act. Except as
35 provided otherwise for fiscal year 2019 in subsection (2) of this
36 section, future revenue collections under this section may be up to
37 three million dollars per biennium and must be deposited into the

1 statewide tourism marketing account created in section 5 of this act.
2 The deposit under this subsection to the statewide tourism marketing
3 account may only occur if the legislature authorizes the deposit in
4 the biennial omnibus appropriations act.

5 (2) For fiscal year 2019, up to a maximum of one million five
6 hundred thousand dollars must be deposited in the statewide tourism
7 marketing account created in section 5 of this act. The deposit under
8 this subsection to the statewide tourism marketing account may only
9 occur if the legislature authorizes the deposit in the biennial
10 omnibus appropriations act.

11 **Sec. 10.** RCW 43.84.092 and 2017 3rd sp.s. c 25 s 50, 2017 3rd
12 sp.s. c 12 s 12, and 2017 c 290 s 8 are each reenacted and amended to
13 read as follows:

14 (1) All earnings of investments of surplus balances in the state
15 treasury shall be deposited to the treasury income account, which
16 account is hereby established in the state treasury.

17 (2) The treasury income account shall be utilized to pay or
18 receive funds associated with federal programs as required by the
19 federal cash management improvement act of 1990. The treasury income
20 account is subject in all respects to chapter 43.88 RCW, but no
21 appropriation is required for refunds or allocations of interest
22 earnings required by the cash management improvement act. Refunds of
23 interest to the federal treasury required under the cash management
24 improvement act fall under RCW 43.88.180 and shall not require
25 appropriation. The office of financial management shall determine the
26 amounts due to or from the federal government pursuant to the cash
27 management improvement act. The office of financial management may
28 direct transfers of funds between accounts as deemed necessary to
29 implement the provisions of the cash management improvement act, and
30 this subsection. Refunds or allocations shall occur prior to the
31 distributions of earnings set forth in subsection (4) of this
32 section.

33 (3) Except for the provisions of RCW 43.84.160, the treasury
34 income account may be utilized for the payment of purchased banking
35 services on behalf of treasury funds including, but not limited to,
36 depository, safekeeping, and disbursement functions for the state
37 treasury and affected state agencies. The treasury income account is
38 subject in all respects to chapter 43.88 RCW, but no appropriation is
39 required for payments to financial institutions. Payments shall occur

1 prior to distribution of earnings set forth in subsection (4) of this
2 section.

3 (4) Monthly, the state treasurer shall distribute the earnings
4 credited to the treasury income account. The state treasurer shall
5 credit the general fund with all the earnings credited to the
6 treasury income account except:

7 (a) The following accounts and funds shall receive their
8 proportionate share of earnings based upon each account's and fund's
9 average daily balance for the period: The aeronautics account, the
10 aircraft search and rescue account, the Alaskan Way viaduct
11 replacement project account, the brownfield redevelopment trust fund
12 account, the budget stabilization account, the capital vessel
13 replacement account, the capitol building construction account, the
14 Cedar River channel construction and operation account, the Central
15 Washington University capital projects account, the charitable,
16 educational, penal and reformatory institutions account, the Chehalis
17 basin account, the cleanup settlement account, the Columbia river
18 basin water supply development account, the Columbia river basin
19 taxable bond water supply development account, the Columbia river
20 basin water supply revenue recovery account, the common school
21 construction fund, the community forest trust account, the connecting
22 Washington account, the county arterial preservation account, the
23 county criminal justice assistance account, the deferred compensation
24 administrative account, the deferred compensation principal account,
25 the department of licensing services account, the department of
26 retirement systems expense account, the developmental disabilities
27 community trust account, the diesel idle reduction account, the
28 drinking water assistance account, the drinking water assistance
29 administrative account, the early learning facilities development
30 account, the early learning facilities revolving account, the Eastern
31 Washington University capital projects account, the Interstate 405
32 express toll lanes operations account, the education construction
33 fund, the education legacy trust account, the election account, the
34 electric vehicle charging infrastructure account, the energy freedom
35 account, the energy recovery act account, the essential rail
36 assistance account, The Evergreen State College capital projects
37 account, the federal forest revolving account, the ferry bond
38 retirement fund, the freight mobility investment account, the freight
39 mobility multimodal account, the grade crossing protective fund, the
40 public health services account, the high capacity transportation

1 account, the state higher education construction account, the higher
2 education construction account, the highway bond retirement fund, the
3 highway infrastructure account, the highway safety fund, the high
4 occupancy toll lanes operations account, the hospital safety net
5 assessment fund, the industrial insurance premium refund account, the
6 judges' retirement account, the judicial retirement administrative
7 account, the judicial retirement principal account, the local
8 leasehold excise tax account, the local real estate excise tax
9 account, the local sales and use tax account, the marine resources
10 stewardship trust account, the medical aid account, the mobile home
11 park relocation fund, the money-purchase retirement savings
12 administrative account, the money-purchase retirement savings
13 principal account, the motor vehicle fund, the motorcycle safety
14 education account, the multimodal transportation account, the
15 multiuse roadway safety account, the municipal criminal justice
16 assistance account, the natural resources deposit account, the oyster
17 reserve land account, the pension funding stabilization account, the
18 perpetual surveillance and maintenance account, the pollution
19 liability insurance agency underground storage tank revolving
20 account, the public employees' retirement system plan 1 account, the
21 public employees' retirement system combined plan 2 and plan 3
22 account, the public facilities construction loan revolving account
23 beginning July 1, 2004, the public health supplemental account, the
24 public works assistance account, the Puget Sound capital construction
25 account, the Puget Sound ferry operations account, the Puget Sound
26 taxpayer accountability account, the real estate appraiser commission
27 account, the recreational vehicle account, the regional mobility
28 grant program account, the resource management cost account, the
29 rural arterial trust account, the rural mobility grant program
30 account, the rural Washington loan fund, the sexual assault
31 prevention and response account, the site closure account, the
32 skilled nursing facility safety net trust fund, the small city
33 pavement and sidewalk account, the special category C account, the
34 special wildlife account, the state employees' insurance account, the
35 state employees' insurance reserve account, the state investment
36 board expense account, the state investment board commingled trust
37 fund accounts, the state patrol highway account, the state route
38 number 520 civil penalties account, the state route number 520
39 corridor account, the state wildlife account, the statewide tourism
40 marketing account, the supplemental pension account, the Tacoma

1 Narrows toll bridge account, the teachers' retirement system plan 1
2 account, the teachers' retirement system combined plan 2 and plan 3
3 account, the tobacco prevention and control account, the tobacco
4 settlement account, the toll facility bond retirement account, the
5 transportation 2003 account (nickel account), the transportation
6 equipment fund, the transportation future funding program account,
7 the transportation improvement account, the transportation
8 improvement board bond retirement account, the transportation
9 infrastructure account, the transportation partnership account, the
10 traumatic brain injury account, the tuition recovery trust fund, the
11 University of Washington bond retirement fund, the University of
12 Washington building account, the volunteer firefighters' and reserve
13 officers' relief and pension principal fund, the volunteer
14 firefighters' and reserve officers' administrative fund, the
15 Washington judicial retirement system account, the Washington law
16 enforcement officers' and firefighters' system plan 1 retirement
17 account, the Washington law enforcement officers' and firefighters'
18 system plan 2 retirement account, the Washington public safety
19 employees' plan 2 retirement account, the Washington school
20 employees' retirement system combined plan 2 and 3 account, the
21 Washington state health insurance pool account, the Washington state
22 patrol retirement account, the Washington State University building
23 account, the Washington State University bond retirement fund, the
24 water pollution control revolving administration account, the water
25 pollution control revolving fund, the Western Washington University
26 capital projects account, the Yakima integrated plan implementation
27 account, the Yakima integrated plan implementation revenue recovery
28 account, and the Yakima integrated plan implementation taxable bond
29 account. Earnings derived from investing balances of the agricultural
30 permanent fund, the normal school permanent fund, the permanent
31 common school fund, the scientific permanent fund, the state
32 university permanent fund, and the state reclamation revolving
33 account shall be allocated to their respective beneficiary accounts.

34 (b) Any state agency that has independent authority over accounts
35 or funds not statutorily required to be held in the state treasury
36 that deposits funds into a fund or account in the state treasury
37 pursuant to an agreement with the office of the state treasurer shall
38 receive its proportionate share of earnings based upon each account's
39 or fund's average daily balance for the period.

1 (5) In conformance with Article II, section 37 of the state
2 Constitution, no treasury accounts or funds shall be allocated
3 earnings without the specific affirmative directive of this section.

4 NEW SECTION. **Sec. 11.** The joint legislative audit and review
5 committee must conduct an evaluation of the performance of the
6 authority created in chapter 43.--- RCW (the new chapter created in
7 section 12 of this act) and report its findings and recommendations,
8 in compliance with RCW 43.01.036, to the governor and the economic
9 development committees of the senate and house of representatives by
10 December 1, 2023. The purpose of the evaluation is to determine the
11 extent to which the authority has contributed to the growth of the
12 tourism industry and economic development of the state. An interim
13 report by the authority, submitted in compliance with RCW 43.01.036,
14 is due to the governor and economic development committees of the
15 house of representatives and senate by December 1, 2021. The report
16 must provide an update on the authority's progress in implementing a
17 statewide tourism marketing program.

18 NEW SECTION. **Sec. 12.** Sections 1 through 8 of this act
19 constitute a new chapter in Title 43 RCW."

20 Correct the title.

EFFECT: (1) Allows other dedicated state funds, other than
general fund state funds, to be used for the two-to-one match
required to expend general fund state moneys from the Tourism
Marketing Account.

(2) Changes reference of an ex officio member of the Tourism
Marketing Authority Advisory Committee to a representative.

(3) Eliminates the ex officio member on the Tourism Marketing
Authority's (Authority) advisory committee from the Department of
Revenue and allows ex officio representatives from other agencies to
serve on the Authority's advisory committee as deemed appropriate by
the Authority.

(4) Clarifies that all matching funding, private and state funds
other than general fund state funds, be deposited into the
Authority's private local account and are held in trust.

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