

FINAL BILL REPORT

E4SSB 5251

C 275 L 18
Synopsis as Enacted

Brief Description: Concerning tourism marketing.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Takko, Warnick, Rolfes, McCoy, Zeiger and Chase).

Senate Committee on Commerce, Labor & Sports
Senate Committee on Agriculture, Water, Trade & Economic Development
Senate Committee on Ways & Means
Senate Committee on Economic Development & International Trade
House Committee on Community Development, Housing & Tribal Affairs
House Committee on Appropriations

Background: The State Tourism Commission (Commission) was created in 2007 to direct the state tourism program administered through the Department of Commerce (Commerce). The Commission was comprised of public and private industry representatives and was directed to promote and expand the state tourism industry. The Commission owned an account and could raise funds.

The Legislature terminated the state tourism program and the Commission at the end of the 2009-2011 biennium. In the same year, the Washington Tourism Alliance (WTA) was formed to assume official state tourism marketing and promotion activities. The WTA is a private nonprofit organization comprised of members of the state tourism industry. The WTA receives funding from its members. Among its activities, the WTA operates a state tourism website, publishes the official state tourism guide, and holds an annual tourism summit.

In 2014, the Legislature directed the WTA to propose a private funding mechanism for a state tourism marketing program, including how revenues would be allocated and collected from each tourism industry sector.

Summary: The Washington Tourism Marketing Authority (Authority). The Authority is established as a public entity to manage financial resources and contract for statewide tourism marketing services. The Authority is governed by a board of directors (Board) comprised of 13 voting members:

- one member from each of the two major caucuses of the House of Representatives and the Senate; and
- nine representatives from the tourism industry and related businesses.

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.

A nonvoting advisory committee to the Board is also established. The advisory committee consists of:

- one ex-officio representative from Commerce, the State Parks and Recreation Commission, the Department of Transportation, and other state agencies as the Authority deems appropriate; and
- one member from a federally recognized Indian tribe.

Statewide Tourism Marketing Account (account). The account is created and expenditures from the account may only be made for allowable expenses related to implementation of the statewide tourism program. The account is subject to appropriation. Allowable expenses include:

- entering into a contract for a multiple-year statewide tourism marketing plan with an existing statewide nonprofit organization, which must include focuses on: (1) rural tourism-dependent counties, (2) natural wonders and outdoor recreation opportunities of the state, (3) attraction of international tourists, (4) identification of local offerings for tourists, and (5) assistance for tourism areas adversely impacted by natural disasters;
- contracting for the evaluation of the impact of the statewide tourism marketing program; and
- administrative expenses of the Authority.

A two-to-one non-state or state fund, other than general fund state match must be provided for all expenditures from the account.

Sales and Use Tax. Beginning July 1, 2018, 0.2 percent of taxes collected on retail sales of lodging, car rentals, and restaurants must be deposited into the account, up to \$1.5 million for fiscal year 2019, and up to \$3 million for future biennium. Deposits into the account may only occur if the Legislature authorizes the deposit in the Operating Budget.

Joint Legislative Audit and Review Committee (JLARC). JLARC must evaluate the performance of the Authority and report to the Governor and economic development committees of the Legislature by December 1, 2023, to determine the extent to which the Authority contributed to the growth of the tourism industry and economic development of the state. The Authority must provide an interim report to the Governor and economic development committees of the Legislature by December 1, 2021, on its progress in implementing a statewide tourism marketing program.

Votes on Final Passage:

Senate	47	0	
House	98	0	(House amended)
Senate	49	0	(Senate concurred)

Effective: June 7, 2018