
SECOND SUBSTITUTE SENATE BILL 5251

State of Washington 65th Legislature 2017 Regular Session

By Senate Ways & Means (originally sponsored by Senators Takko, Warnick, Rolfes, McCoy, Zeiger, and Chase)

READ FIRST TIME 06/30/17.

1 AN ACT Relating to tourism marketing; reenacting and amending RCW
2 43.79A.040; adding a new chapter to Title 43 RCW; and creating a new
3 section.

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

5 NEW SECTION. **Sec. 1.** FINDINGS AND PURPOSE. (1) The legislature
6 finds that the tourism industry is the fourth largest economic sector
7 in the state of Washington and provides general economic benefit to
8 the state. Since 2011 there have been no general funds committed to
9 statewide tourism marketing and Washington is the only state without
10 a state-funded tourism office. Before 2011, the amount of funds
11 appropriated to statewide tourism marketing were not significant and,
12 in fact, Washington ranked forty-eighth in state tourism funding.
13 Washington has significant attractions and activities for tourists,
14 including many natural outdoor assets that draw visitors to
15 mountains, waterways, parks, and open spaces. There should be a
16 program to publicize these assets and activities to potential out-of-
17 state visitors that is implemented in an expeditious manner by
18 tourism professionals in the private sector.

19 (2) The purpose of this act is to establish the framework and
20 funding for a statewide tourism marketing program. The program needs
21 to have a structure that includes significant, stable, long-term

1 funding, and it should be implemented and managed by the tourism
2 industry. The source of funds should be from major sectors of the
3 tourism industry with government assistance in collecting these funds
4 and providing accountability for their expenditure. The dedicated
5 sales tax authorized for contributions made in this chapter will
6 bring direct benefits to those making contributions by bringing more
7 tourists into the state who will patronize the participating
8 businesses and create economic benefit for the state.

9 NEW SECTION. **Sec. 2.** DEFINITIONS. The definitions in this
10 section apply throughout this chapter unless the context clearly
11 requires otherwise.

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

14 (2) "Board" means the Washington tourism marketing authority
15 board of directors.

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

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

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

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

24 (2) The authority is responsible for contracting for statewide
25 tourism marketing services that promote tourism on behalf of the
26 citizens of the state, and for managing the authority's financial
27 resources.

28 (3) The department provides administrative assistance to the
29 authority and serves as the fiscal agent of the authority for moneys
30 appropriated for purposes of the authority.

31 (4) The authority must create a private local account to receive
32 nonstate funds contributed to the authority for purposes of this
33 chapter.

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

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

1 (a) Two members and two alternates from the house of
2 representatives, with one member and one alternate appointed from
3 each of the two major caucuses of the house of representatives by the
4 speaker of the house of representatives and the minority leader of
5 the house of representatives;

6 (b) Two members and two alternates from the senate, with one
7 member and one alternate appointed from each of the two major
8 caucuses of the senate by the majority leader and minority leader of
9 the senate; and

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

14 (2) The initial membership of the authority must be appointed as
15 follows:

16 (a) By August 1, 2017, each of the two largest caucuses in both
17 the house of representatives and the senate must submit to the
18 governor a list of five nominees who are not legislators or employees
19 of the state or its political subdivisions, with no caucus submitting
20 the same nominee;

21 (b) The nominations from the largest caucus in the house of
22 representatives must include at least one representative from the
23 restaurant industry and one representative from the rental car
24 industry;

25 (c) The nominations from the second largest caucus in the house
26 of representatives must include at least one representative from the
27 retail industry;

28 (d) The nominations from the largest caucus in the senate must
29 include at least one representative from the hotel industry and one
30 representative from the attractions industry;

31 (e) The nominations from the second largest caucus in the senate
32 must include at least one representative from the outdoor recreation
33 industry; and

34 (f) The remaining member appointed by the governor must have a
35 demonstrated expertise in the tourism industry.

36 (3) By September 1, 2017, the governor must appoint two members
37 from each list submitted by the caucuses under subsection (2)(a)
38 through (e) of this section and one member under subsection (2)(f) of
39 this section. The appointments made under subsection (2)(a) through
40 (e) of this section must include at least one representative from

1 each of the following industries: Hotel, restaurant, outdoor
2 recreation, attractions, retail, and rental car businesses.
3 Appointments by the governor must reflect diversity in geography,
4 size of business, gender, and ethnicity. No county may have more than
5 two appointments and no city may have more than one appointment.

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

8 (a) One ex officio member from the department, department of
9 revenue, state parks and recreation commission, and department of
10 transportation; and

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

13 (5) The initial appointments under subsections (1) and (2) of
14 this section must be appointed by the governor to terms as follows:
15 Four members for two-year terms; four members for three-year terms;
16 and five members for four-year terms, which must include the chair.
17 After the initial appointments, all appointments must be for four
18 years.

19 (6) The board must select from its membership the chair of the
20 board and such other officers as it deems appropriate. The chair of
21 the board must be a member from the tourism industry or related
22 businesses.

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

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

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

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

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

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

36 (13) No board member of the authority may serve on the board of
37 an organization that could be considered for the contract authorized
38 by RCW 43.79A.040.

1 NEW SECTION. **Sec. 5.** STATEWIDE TOURISM MARKETING ACCOUNT. (1)

2 The statewide tourism marketing account is created in the state
3 treasury. Expenditures from the account may be made only after
4 appropriation.

5 (2) Appropriations from the account may be made only to the
6 department only for expenditures related to implementation of a
7 statewide tourism marketing program and operation of the authority.
8 Expenditures from the account may only be made when a two-to-one
9 nonstate to state match is provided. A nonstate match may consist of
10 nonstate cash contributions deposited in the private local account
11 created under section 3(4) of this act, the value of an advertising
12 equivalency contribution, or an in-kind contribution. The board must
13 determine criteria for what qualifies as an in-kind contribution.

14 (3) The account is subject to allotment procedures under chapter
15 43.88 RCW.

16 NEW SECTION. **Sec. 6.** USE OF FUNDS. (1) From amounts

17 appropriated to the department for the authority and from other
18 moneys available to it, the authority may incur expenditures for any
19 purpose specifically authorized by this chapter including:

20 (a) Entering into a contract for a multiple-year statewide
21 tourism marketing plan with a statewide nonprofit organization
22 existing on the effective date of this section whose sole purpose is
23 marketing Washington to tourists. The marketing plan must include,
24 but is not limited to, focuses on rural tourism-dependent counties,
25 natural wonders and outdoor recreation opportunities of the state,
26 attraction of international tourists, identification of local
27 offerings for tourists, and assistance for tourism areas adversely
28 impacted by natural disasters. In the event that no such organization
29 exists on the effective date of this section or the initial
30 contractor ceases to exist, the authority may determine criteria for
31 a contractor to carry out a statewide marketing program;

32 (b) Contracting for the evaluation of the impact of the statewide
33 tourism marketing program; and

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

37 (2) All nonstate moneys received by the authority under section 7
38 of this act or otherwise provided to the authority for purposes of

1 nonstate matching funding are held in trust for uses authorized
2 solely by this chapter.

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

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

12 **Sec. 9.** RCW 43.79A.040 and 2017 c 322 s 5, 2017 c 285 s 5, and
13 2017 c 257 s 5 are each reenacted and amended to read as follows:

14 (1) Money in the treasurer's trust fund may be deposited,
15 invested, and reinvested by the state treasurer in accordance with
16 RCW 43.84.080 in the same manner and to the same extent as if the
17 money were in the state treasury, and may be commingled with moneys
18 in the state treasury for cash management and cash balance purposes.

19 (2) All income received from investment of the treasurer's trust
20 fund must be set aside in an account in the treasury trust fund to be
21 known as the investment income account.

22 (3) The investment income account may be utilized for the payment
23 of purchased banking services on behalf of treasurer's trust funds
24 including, but not limited to, depository, safekeeping, and
25 disbursement functions for the state treasurer or affected state
26 agencies. The investment income account is subject in all respects to
27 chapter 43.88 RCW, but no appropriation is required for payments to
28 financial institutions. Payments must occur prior to distribution of
29 earnings set forth in subsection (4) of this section.

30 (4)(a) Monthly, the state treasurer must distribute the earnings
31 credited to the investment income account to the state general fund
32 except under (b), (c), and (d) of this subsection.

33 (b) The following accounts and funds must receive their
34 proportionate share of earnings based upon each account's or fund's
35 average daily balance for the period: The 24/7 sobriety account, the
36 Washington promise scholarship account, the Gina Grant Bull memorial
37 legislative page scholarship account, the Washington advanced college

1 tuition payment program account, the Washington college savings
2 program account, the accessible communities account, the Washington
3 achieving a better life experience program account, the community and
4 technical college innovation account, the agricultural local fund,
5 the American Indian scholarship endowment fund, the foster care
6 scholarship endowment fund, the foster care endowed scholarship trust
7 fund, the contract harvesting revolving account, the Washington state
8 combined fund drive account, the commemorative works account, the
9 county enhanced 911 excise tax account, the toll collection account,
10 the developmental disabilities endowment trust fund, the energy
11 account, the fair fund, the family leave insurance account, the food
12 animal veterinarian conditional scholarship account, the fruit and
13 vegetable inspection account, the future teachers conditional
14 scholarship account, the game farm alternative account, the GET ready
15 for math and science scholarship account, the Washington global
16 health technologies and product development account, the grain
17 inspection revolving fund, the industrial insurance rainy day fund,
18 the juvenile accountability incentive account, the law enforcement
19 officers' and firefighters' plan 2 expense fund, the local tourism
20 promotion account, the low-income home rehabilitation revolving loan
21 program account, the multiagency permitting team account, the
22 northeast Washington wolf-livestock management account, the pilotage
23 account, the produce railcar pool account, the regional
24 transportation investment district account, the rural rehabilitation
25 account, the statewide tourism marketing account, the Washington
26 sexual assault kit account, the stadium and exhibition center
27 account, the youth athletic facility account, the self-insurance
28 revolving fund, the children's trust fund, the Washington horse
29 racing commission Washington bred owners' bonus fund and breeder
30 awards account, the Washington horse racing commission class C purse
31 fund account, the individual development account program account, the
32 Washington horse racing commission operating account, the life
33 sciences discovery fund, the Washington state heritage center
34 account, the reduced cigarette ignition propensity account, the
35 center for childhood deafness and hearing loss account, the school
36 for the blind account, the Millersylvania park trust fund, the public
37 employees' and retirees' insurance reserve fund, and the radiation
38 perpetual maintenance fund.

39 (c) The following accounts and funds must receive eighty percent
40 of their proportionate share of earnings based upon each account's or

1 fund's average daily balance for the period: The advanced right-of-
2 way revolving fund, the advanced environmental mitigation revolving
3 account, the federal narcotics asset forfeitures account, the high
4 occupancy vehicle account, the local rail service assistance account,
5 and the miscellaneous transportation programs account.

6 (d) Any state agency that has independent authority over accounts
7 or funds not statutorily required to be held in the custody of the
8 state treasurer that deposits funds into a fund or account in the
9 custody of the state treasurer pursuant to an agreement with the
10 office of the state treasurer shall receive its proportionate share
11 of earnings based upon each account's or fund's average daily balance
12 for the period.

13 (5) In conformance with Article II, section 37 of the state
14 Constitution, no trust accounts or funds shall be allocated earnings
15 without the specific affirmative directive of this section.

16 NEW SECTION. **Sec. 10.** The joint legislative audit and review
17 committee must conduct an evaluation of the performance of the
18 authority created in chapter 43.--- RCW (the new chapter created in
19 section 11 of this act) and report its findings and recommendations
20 to the governor and the economic development committees of the senate
21 and house of representatives by December 1, 2020. The purpose of the
22 evaluation is to determine the extent to which the authority has
23 contributed to the growth of the tourism industry and economic
24 development of the state. An interim report by the authority is due
25 to the governor and economic development committees of the house of
26 representatives and senate by December 1, 2018. The report must
27 provide an update on the authority's progress in implementing a
28 statewide tourism marketing program.

29 NEW SECTION. **Sec. 11.** Sections 1 through 8 of this act
30 constitute a new chapter in Title 43 RCW.

--- END ---