
ENGROSSED FOURTH SUBSTITUTE SENATE BILL 5251

State of Washington

65th Legislature

2018 Regular Session

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

READ FIRST TIME 02/06/18.

1 AN ACT Relating to tourism marketing; reenacting and amending RCW
2 43.84.092; adding a new section to chapter 82.08 RCW; adding a new
3 chapter to Title 43 RCW; and creating a new 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 minimal general funds committed
9 to statewide tourism marketing and Washington is the only state
10 without a state-funded tourism marketing program. Before 2011, the
11 amount of funds appropriated to statewide tourism marketing was not
12 significant and, in fact, Washington ranked forty-eighth in state
13 tourism funding. Washington has significant attractions and
14 activities for tourists, including many natural outdoor assets that
15 draw visitors to mountains, waterways, parks, and open spaces. There
16 should be a program to publicize these assets and activities to
17 potential out-of-state visitors that is implemented in an expeditious
18 manner by 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;

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

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

12 (2) The initial membership of the authority must be appointed as
13 follows:

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

19 (b) The nominations from the speaker of the house of
20 representatives must include at least one representative from the
21 restaurant industry; one representative from the rental car industry;
22 and one representative from the retail industry;

23 (c) The nominations from the president of the senate must include
24 at least one representative from the hotel industry; one
25 representative from the attractions industry; and one representative
26 from the outdoor recreation industry; and

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

29 (3) By July 1, 2018, the governor must appoint four members from
30 each list submitted by the speaker of the house of representatives
31 and the president of the senate under subsection (2)(a) through (c)
32 of this section and one member under subsection (2)(d) of this
33 section. Appointments by the governor must reflect diversity in
34 geography, size of business, gender, and ethnicity. No county may
35 have more than two appointments and no city may have more than one
36 appointment.

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

1 (a) One ex officio member from the department, department of
2 revenue, state parks and recreation commission, and department of
3 transportation; and

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

6 (5) The initial appointments under subsections (1) and (2) of
7 this section must be appointed by the governor to terms as follows:
8 Four members for two-year terms; four members for three-year terms;
9 and five members for four-year terms, which must include the chair.
10 After the initial appointments, all appointments must be for four
11 years.

12 (6) The board must select from its membership the chair of the
13 board and such other officers as it deems appropriate. The chair of
14 the board must be a member from the tourism industry or related
15 businesses.

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

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

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

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

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

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

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

32 NEW SECTION. **Sec. 5.** STATEWIDE TOURISM MARKETING ACCOUNT. The
33 statewide tourism marketing account is created in the state treasury.
34 All receipts from tax revenues under section 9 of this act must be
35 deposited into the account. Moneys in the account may be spent only
36 after appropriation. Expenditures from the account may be used only
37 for expenditures of the department that are related to implementation
38 of a statewide tourism marketing program and operation of the
39 authority. Expenditures from the account may be made as a two-to-one

1 nonstate-to-state match is provided. A nonstate match may consist of
2 nonstate cash contributions deposited in the private local account
3 created under section 3(4) of this act, the value of an advertising
4 equivalency contribution, or an in-kind contribution. The board must
5 determine criteria for what qualifies as an in-kind contribution.

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

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

22 (b) Contracting for the evaluation of the impact of the statewide
23 tourism marketing program; and

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

27 (2) All nonstate moneys received by the authority under section 7
28 of this act or otherwise provided to the authority for purposes of
29 nonstate matching funding are held in trust for uses authorized
30 solely by this chapter.

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

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

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

5 (1) Beginning July 1, 2018, 0.2 percent of taxes collected
6 pursuant to RCW 82.08.020(1) on retail sales of lodging, car rentals,
7 and restaurants must be deposited into the statewide tourism
8 marketing account created in section 5 of this act. Except as
9 provided otherwise for fiscal year 2019 in subsection (2) of this
10 section, future revenue collections under this section may be up to
11 three million dollars per biennium and must be deposited into the
12 statewide tourism marketing account created in section 5 of this act.
13 The deposit under this subsection to the statewide tourism marketing
14 account may only occur if the legislature authorizes the deposit in
15 the biennial omnibus appropriations act.

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

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

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

28 (2) The treasury income account shall be utilized to pay or
29 receive funds associated with federal programs as required by the
30 federal cash management improvement act of 1990. The treasury income
31 account is subject in all respects to chapter 43.88 RCW, but no
32 appropriation is required for refunds or allocations of interest
33 earnings required by the cash management improvement act. Refunds of
34 interest to the federal treasury required under the cash management
35 improvement act fall under RCW 43.88.180 and shall not require
36 appropriation. The office of financial management shall determine the
37 amounts due to or from the federal government pursuant to the cash
38 management improvement act. The office of financial management may

1 direct transfers of funds between accounts as deemed necessary to
2 implement the provisions of the cash management improvement act, and
3 this subsection. Refunds or allocations shall occur prior to the
4 distributions of earnings set forth in subsection (4) of this
5 section.

6 (3) Except for the provisions of RCW 43.84.160, the treasury
7 income account may be utilized for the payment of purchased banking
8 services on behalf of treasury funds including, but not limited to,
9 depository, safekeeping, and disbursement functions for the state
10 treasury and affected state agencies. The treasury income account is
11 subject in all respects to chapter 43.88 RCW, but no appropriation is
12 required for payments to financial institutions. Payments shall occur
13 prior to distribution of earnings set forth in subsection (4) of this
14 section.

15 (4) Monthly, the state treasurer shall distribute the earnings
16 credited to the treasury income account. The state treasurer shall
17 credit the general fund with all the earnings credited to the
18 treasury income account except:

19 (a) The following accounts and funds shall receive their
20 proportionate share of earnings based upon each account's and fund's
21 average daily balance for the period: The aeronautics account, the
22 aircraft search and rescue account, the Alaskan Way viaduct
23 replacement project account, the brownfield redevelopment trust fund
24 account, the budget stabilization account, the capital vessel
25 replacement account, the capitol building construction account, the
26 Cedar River channel construction and operation account, the Central
27 Washington University capital projects account, the charitable,
28 educational, penal and reformatory institutions account, the Chehalis
29 basin account, the cleanup settlement account, the Columbia river
30 basin water supply development account, the Columbia river basin
31 taxable bond water supply development account, the Columbia river
32 basin water supply revenue recovery account, the common school
33 construction fund, the community forest trust account, the connecting
34 Washington account, the county arterial preservation account, the
35 county criminal justice assistance account, the deferred compensation
36 administrative account, the deferred compensation principal account,
37 the department of licensing services account, the department of
38 retirement systems expense account, the developmental disabilities
39 community trust account, the diesel idle reduction account, the
40 drinking water assistance account, the drinking water assistance

1 administrative account, the early learning facilities development
2 account, the early learning facilities revolving account, the Eastern
3 Washington University capital projects account, the Interstate 405
4 express toll lanes operations account, the education construction
5 fund, the education legacy trust account, the election account, the
6 electric vehicle charging infrastructure account, the energy freedom
7 account, the energy recovery act account, the essential rail
8 assistance account, The Evergreen State College capital projects
9 account, the federal forest revolving account, the ferry bond
10 retirement fund, the freight mobility investment account, the freight
11 mobility multimodal account, the grade crossing protective fund, the
12 public health services account, the high capacity transportation
13 account, the state higher education construction account, the higher
14 education construction account, the highway bond retirement fund, the
15 highway infrastructure account, the highway safety fund, the high
16 occupancy toll lanes operations account, the hospital safety net
17 assessment fund, the industrial insurance premium refund account, the
18 judges' retirement account, the judicial retirement administrative
19 account, the judicial retirement principal account, the local
20 leasehold excise tax account, the local real estate excise tax
21 account, the local sales and use tax account, the marine resources
22 stewardship trust account, the medical aid account, the mobile home
23 park relocation fund, the money-purchase retirement savings
24 administrative account, the money-purchase retirement savings
25 principal account, the motor vehicle fund, the motorcycle safety
26 education account, the multimodal transportation account, the
27 multiuse roadway safety account, the municipal criminal justice
28 assistance account, the natural resources deposit account, the oyster
29 reserve land account, the pension funding stabilization account, the
30 perpetual surveillance and maintenance account, the pollution
31 liability insurance agency underground storage tank revolving
32 account, the public employees' retirement system plan 1 account, the
33 public employees' retirement system combined plan 2 and plan 3
34 account, the public facilities construction loan revolving account
35 beginning July 1, 2004, the public health supplemental account, the
36 public works assistance account, the Puget Sound capital construction
37 account, the Puget Sound ferry operations account, the Puget Sound
38 taxpayer accountability account, the real estate appraiser commission
39 account, the recreational vehicle account, the regional mobility
40 grant program account, the resource management cost account, the

1 rural arterial trust account, the rural mobility grant program
2 account, the rural Washington loan fund, the sexual assault
3 prevention and response account, the site closure account, the
4 skilled nursing facility safety net trust fund, the small city
5 pavement and sidewalk account, the special category C account, the
6 special wildlife account, the state employees' insurance account, the
7 state employees' insurance reserve account, the state investment
8 board expense account, the state investment board commingled trust
9 fund accounts, the state patrol highway account, the state route
10 number 520 civil penalties account, the state route number 520
11 corridor account, the state wildlife account, the statewide tourism
12 marketing account, the supplemental pension account, the Tacoma
13 Narrows toll bridge account, the teachers' retirement system plan 1
14 account, the teachers' retirement system combined plan 2 and plan 3
15 account, the tobacco prevention and control account, the tobacco
16 settlement account, the toll facility bond retirement account, the
17 transportation 2003 account (nickel account), the transportation
18 equipment fund, the transportation future funding program account,
19 the transportation improvement account, the transportation
20 improvement board bond retirement account, the transportation
21 infrastructure account, the transportation partnership account, the
22 traumatic brain injury account, the tuition recovery trust fund, the
23 University of Washington bond retirement fund, the University of
24 Washington building account, the volunteer firefighters' and reserve
25 officers' relief and pension principal fund, the volunteer
26 firefighters' and reserve officers' administrative fund, the
27 Washington judicial retirement system account, the Washington law
28 enforcement officers' and firefighters' system plan 1 retirement
29 account, the Washington law enforcement officers' and firefighters'
30 system plan 2 retirement account, the Washington public safety
31 employees' plan 2 retirement account, the Washington school
32 employees' retirement system combined plan 2 and 3 account, the
33 Washington state health insurance pool account, the Washington state
34 patrol retirement account, the Washington State University building
35 account, the Washington State University bond retirement fund, the
36 water pollution control revolving administration account, the water
37 pollution control revolving fund, the Western Washington University
38 capital projects account, the Yakima integrated plan implementation
39 account, the Yakima integrated plan implementation revenue recovery
40 account, and the Yakima integrated plan implementation taxable bond

1 account. Earnings derived from investing balances of the agricultural
2 permanent fund, the normal school permanent fund, the permanent
3 common school fund, the scientific permanent fund, the state
4 university permanent fund, and the state reclamation revolving
5 account shall be allocated to their respective beneficiary accounts.

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

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

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

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

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