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**SUBSTITUTE SENATE BILL 5492**

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**State of Washington 69th Legislature 2025 Regular Session**

**By** Senate Business, Financial Services & Trade (originally sponsored by Senators Riccelli, Chapman, Cleveland, Dozier, Goehner, Harris, Krishnadasan, and C. Wilson)

AN ACT Relating to sustainable state tourism promotion; amending RCW 43.384.030 and 43.384.050; creating new sections; and providing an expiration date.

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

NEW SECTION. **Sec.**  The legislature finds that the tourism industry is the fourth largest economic sector in the state, generating approximately $23.9 billion in annual revenue and employing more than 230,000 direct and induced jobs. Industry data estimates that every dollar a tourist spends generates $1.36 in additional economic impact. In 2018, the legislature created a state-funded tourism marketing program. During the 2023-2025 fiscal biennium, the Washington tourism marketing authority was funded with $4,500,000 per fiscal year. This is significantly less than competitive states. The Washington tourism marketing authority contracts with state of Washington tourism to implement the state tourism program, the results of which have been documented to draw $29 in visitor expenditures for every $1 invested and $3 in state and local tax revenue for every $1 invested.

Therefore, the legislature intends to solicit recommendations to evaluate an industry self-supported assessment to ensure a dedicated and sustainable funding mechanism for statewide tourism promotion and management.

**Sec.**  RCW 43.384.030 and 2018 c 275 s 4 are each amended to read as follows:

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

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

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

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

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

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

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

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

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

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

((~~(4)~~)) (2) There must be a nonvoting advisory committee to the board. The advisory committee must consist of:

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

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

((~~(5) The initial appointments under subsections (1) and (2) of this section must be appointed by the governor to terms as follows: Four members for two-year terms; four members for three-year terms; and five members for four-year terms, which must include the chair. After the initial appointments, all~~)) (3) All appointments must be for four years.

((~~(6)~~)) (4) The board must select from its membership the chair of the board and such other officers as it deems appropriate. The chair of the board must be a member from the tourism industry or related businesses.

((~~(7)~~)) (5) A majority of the board constitutes a quorum.

((~~(8)~~)) (6) The board must create its own bylaws in accordance with the laws of the state of Washington.

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

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

((~~(11)~~)) (9) The members of the board serve without compensation but are entitled to reimbursement, solely from the funds of the authority, for expenses incurred in the discharge of their duties.

((~~(12)~~)) (10) The board must meet at least quarterly.

((~~(13)~~)) (11) No board member of the authority may serve on the board of an organization that could be considered for a contract authorized under RCW 43.384.050.

NEW SECTION. **Sec.**  (1) The chair of the board of directors of the tourism marketing authority must appoint a tourism self-supported assessment advisory group no later than two weeks following the effective date of this section. The advisory group must evaluate the viability of an industry self-supported assessment to fund statewide tourism promotion and recommend procedures to establish the self-supported assessment.

(2) The tourism self-supported assessment advisory group must consist of at least eight members that represent sectors of the tourism industry that may be considered for the self-supported assessment, including:

(a) Two members representing the lodging sector;

(b) One member representing the beverage sector;

(c) One member representing the arts and culture sector;

(d) One member representing the tour operators sector;

(e) One member representing the attractions sector;

(f) One member representing the transportation sector; and

(g) One member representing a statewide Washington tourism promotion nonprofit.

(3) The tourism self-supported assessment advisory group must make recommendations for the following:

(a) The classification of businesses proposed to be included in the self-supported assessment;

(b) The self-supported assessment methodology including the petition process for businesses to approve the self-supported assessment;

(c) The rate of self-supported assessment for each business classification;

(d) The characteristics of a business within a classification that will benefit from the self-supported assessment;

(e) The time period or duration of the self-supported assessment; and

(f) The establishment of an oversight board for ratepayers representing businesses by self-supported assessments.

(4) The board of directors of the tourism marketing authority must comply with the requirements of RCW 43.18A.020 in making appointments provided in this section. The department of commerce must provide the report required in RCW 43.18A.020.

(5) The tourism self-supported assessment advisory group must submit its recommendations in writing to the legislature by November 1, 2025.

(6) This section expires June 1, 2026.

**Sec.**  RCW 43.384.050 and 2019 c 291 s 5 are each amended to read as follows:

(1) From amounts appropriated to the department for the authority and from other moneys available to it, the authority may incur expenditures for any purpose specifically authorized by this chapter including:

(a) Entering into a contract for a multiple year statewide tourism marketing plan with a statewide nonprofit organization ((~~existing on June 7, 2018,~~)) whose sole purpose is marketing Washington to tourists. The marketing plan must include, but is not limited to, focuses on rural tourism-dependent counties, natural wonders and outdoor recreation opportunities of the state, including sustainable whale watching, attraction of international tourists, identification of local offerings for tourists, and assistance for tourism areas adversely impacted by natural disasters((~~. In the event that no such organization exists on June 7, 2018, or the initial contractor ceases to exist, the authority may determine criteria for a contractor to carry out a statewide marketing program~~));

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

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

(2) All nonstate moneys received by the authority under RCW 43.384.060 or otherwise provided to the authority for purposes of matching funding must be deposited in the authority's private local account created under RCW 43.384.020(4) and are held in trust for uses authorized solely by this chapter.

(3) "Sustainable whale watching" means an experience that includes whale watching from land or aboard a vessel that reduces the impact on whales, provides a recreational and educational experience, and motivates participants to care about marine mammals, the sea, and marine conservation.

(4) The authority may incur expenditures for the purposes of section 3 of this act until June 30, 2026.

**--- END ---**