
SUBSTITUTE HOUSE BILL 1437

State of Washington

69th Legislature

2025 Regular Session

By House Technology, Economic Development, & Veterans (originally sponsored by Representatives Walen, Ryu, Donaghy, Reed, Barkis, Paul, Nance, Bernbaum, and Cortes)

READ FIRST TIME 02/05/25.

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

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

5 NEW SECTION. **Sec. 1.** The legislature finds that the tourism
6 industry is the fourth largest economic sector in the state,
7 generating approximately \$23.9 billion in annual revenue and
8 employing more than 230,000 direct and induced jobs. Industry data
9 estimates that every dollar a tourist spends generates \$1.36 in
10 additional economic impact. In 2018, the legislature created a state-
11 funded tourism marketing program. During the 2023-2025 fiscal
12 biennium, the Washington tourism marketing authority was funded with
13 \$4,500,000 per fiscal year. This is significantly less than
14 competitive states. The Washington tourism marketing authority
15 contracts with state of Washington tourism to implement the state
16 tourism program, the results of which have been documented to draw
17 \$29 in visitor expenditures for every \$1 invested and \$3 in state and
18 local tax revenue for every \$1 invested.

19 Therefore, the legislature intends to solicit recommendations to
20 evaluate an industry self-supported assessment to ensure a dedicated

1 and sustainable funding mechanism for statewide tourism promotion and
2 management.

3 **Sec. 2.** RCW 43.384.030 and 2018 c 275 s 4 are each amended to
4 read as follows:

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

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

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

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

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

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

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

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

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

35 ~~(3) By July 1, 2018, the governor must appoint four members from
36 each list submitted by the speaker of the house of representatives
37 and the president of the senate under subsection (2) (a) through (c)
38 of this section and one member under subsection (2) (d) of this
39 section.)~~ Appointments by the governor must reflect diversity in

1 geography, size of business, gender, and ethnicity. No county may
2 have more than two appointments and no city may have more than one
3 appointment.

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

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

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

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

17 ~~((6))~~ (4) The board must select from its membership the chair
18 of the board and such other officers as it deems appropriate. The
19 chair of the board must be a member from the tourism industry or
20 related businesses.

21 ~~((7))~~ (5) A majority of the board constitutes a quorum.

22 ~~((8))~~ (6) The board must create its own bylaws in accordance
23 with the laws of the state of Washington.

24 ~~((9))~~ (7) Any member of the board may be removed for
25 misfeasance, malfeasance, or willful neglect of duty after notice and
26 a public hearing, unless the notice and hearing are expressly waived
27 in writing by the affected member.

28 ~~((10))~~ (8) If a vacancy occurs on the board, a replacement must
29 be appointed for the unexpired term.

30 ~~((11))~~ (9) The members of the board serve without compensation
31 but are entitled to reimbursement, solely from the funds of the
32 authority, for expenses incurred in the discharge of their duties.

33 ~~((12))~~ (10) The board must meet at least quarterly.

34 ~~((13))~~ (11) No board member of the authority may serve on the
35 board of an organization that could be considered for a contract
36 authorized under RCW 43.384.050.

37 NEW SECTION. **Sec. 3.** (1) The chair of the board of directors of
38 the tourism marketing authority must appoint a tourism self-supported
39 assessment advisory group no later than two weeks following the

1 effective date of this section. The advisory group must evaluate the
2 viability of an industry self-supported assessment to fund statewide
3 tourism promotion and recommend procedures to establish the self-
4 supported assessment.

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

- 9 (a) Two members representing the lodging sector;
- 10 (b) One member representing the beverage sector;
- 11 (c) One member representing the arts and culture sector;
- 12 (d) One member representing the tour operators sector;
- 13 (e) One member representing the attractions sector;
- 14 (f) One member representing the transportation sector; and
- 15 (g) One member representing a statewide Washington tourism
16 promotion nonprofit.

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

- 19 (a) The classification of businesses proposed to be included in
20 the self-supported assessment;
- 21 (b) The self-supported assessment methodology including the
22 petition process for businesses to approve the self-supported
23 assessment;
- 24 (c) The rate of self-supported assessment for each business
25 classification;
- 26 (d) The characteristics of a business within a classification
27 that will benefit from the self-supported assessment;
- 28 (e) The time period or duration of the self-supported assessment;
29 and
- 30 (f) The establishment of an oversight board for ratepayers
31 representing businesses by self-supported assessments.

32 (4) The tourism self-supported assessment advisory group must
33 submit its recommendations in writing to the legislature by November
34 1, 2025.

35 (5) This section expires June 1, 2026.

36 **Sec. 4.** RCW 43.384.050 and 2019 c 291 s 5 are each amended to
37 read as follows:

38 (1) From amounts appropriated to the department for the authority
39 and from other moneys available to it, the authority may incur

1 expenditures for any purpose specifically authorized by this chapter
2 including:

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

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

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

20 (2) All nonstate moneys received by the authority under RCW
21 43.384.060 or otherwise provided to the authority for purposes of
22 matching funding must be deposited in the authority's private local
23 account created under RCW 43.384.020(4) and are held in trust for
24 uses authorized solely by this chapter.

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

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

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