
HOUSE BILL 1276

State of Washington

60th Legislature

2007 Regular Session

By Representatives Linville, McDonald, Dunshee, Chase, Upthegrove, Strow, Dunn, Haler, VanDeWege, McCune, Kenney, Roberts and Morrell; by request of Governor Gregoire

Read first time 01/16/2007. Referred to Committee on Community & Economic Development & Trade.

1 AN ACT Relating to creating a public-private tourism partnership;
2 amending RCW 67.40.040, 43.330.096, 43.330.090, and 43.330.094; adding
3 a new chapter to Title 43 RCW; creating a new section; recodifying RCW
4 43.330.096; and repealing RCW 43.330.095.

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

6 PART 1

7 WASHINGTON TOURISM COMMISSION

8 NEW SECTION. **Sec. 101.** The definitions in this section apply
9 throughout this chapter unless the context clearly requires otherwise.

10 (1) "Commission" means the Washington tourism commission.

11 (2) "Department" means the department of community, trade, and
12 economic development.

13 (3) "Director" means the director of the department.

14 (4) "Executive director" means the executive director of the
15 commission.

16 NEW SECTION. **Sec. 102.** (1) The Washington tourism commission is
17 created.

1 (2) The commission shall be cochaired by the director of the
2 department or the director's designee, and by an industry-member
3 representative who is elected by the commission members.

4 (3) The commission shall have nineteen members. In appointing
5 members, the governor shall endeavor to balance the geographical
6 composition of the commission to include members with special expertise
7 from tourism organizations, local jurisdictions, and small businesses
8 directly engaged in tourism-related activities. Before making
9 appointments to the Washington tourism commission, the governor may
10 consider nominations from recognized organizations that represent the
11 entities or interests identified in this section. Commission members
12 shall be appointed by the governor as follows:

13 (a) Three members to represent the lodging industry. Members
14 should represent all property categories and different regions of the
15 state;

16 (b) Three representatives from nonprofit destination marketing
17 organizations or visitor and convention bureaus;

18 (c) Three industry representatives from the arts, entertainment,
19 attractions, or recreation industry;

20 (d) Four private industry representatives, two from each of the
21 business categories in this subsection:

22 (i) The food, beverage, and wine industries; and

23 (ii) The travel and transportation industries;

24 (e) Four legislative members, one from each major caucus of the
25 senate, designated by the president of the senate, and one from each
26 major caucus of the house of representatives, designated by the speaker
27 of the house of representatives;

28 (f) The chairman of the Washington convention and trade center; and

29 (g) The director or the director's designee.

30 (4)(a) Terms of nonlegislative members shall be three years, except
31 that initial terms shall be staggered such that terms of one-third of
32 the initial members shall expire each year.

33 (b) Terms of legislative members shall be two years.

34 (c) Vacancies shall be appointed in the same manner as the original
35 appointment.

36 (d) A member appointed by the governor may not be absent from more
37 than fifty percent of the regularly scheduled meetings in any one

1 calendar year. Any member who exceeds this absence limitation is
2 deemed to have withdrawn from the office and may be replaced by the
3 governor.

4 (5) Members shall be reimbursed for travel expenses as provided in
5 RCW 43.03.050 and 43.03.060.

6 (6) The commission shall meet at least four times per year, but may
7 meet more frequently as necessary.

8 (7) A majority of members currently appointed constitutes a quorum.

9 (8) Staff support shall be provided by the department, and staff
10 shall report to the executive director.

11 (9) The director, in consultation with the commission, shall
12 appoint an executive director.

13 (10) The commission may adopt rules under chapter 34.05 RCW as
14 necessary to carry out the purposes of this chapter.

15 NEW SECTION. **Sec. 103.** (1) The commission shall pursue a
16 coordinated program to expand the tourism industry throughout the state
17 in cooperation with the public and private tourism development
18 organizations. The commission shall develop and approve, and update as
19 necessary, a six-year strategic plan that includes, but is not limited
20 to:

21 (a) Promoting Washington as a tourism destination to national and
22 international markets to include nature-based and wildlife viewing
23 tourism;

24 (b) Providing information to businesses and local communities on
25 tourism opportunities that could expand local revenues;

26 (c) Assisting local communities to strengthen their tourism
27 partnerships, including their relationships with state and local
28 agencies;

29 (d) Providing leadership training and assistance to local
30 communities to facilitate the development and implementation of local
31 tourism plans;

32 (e) Coordinating the development of a statewide tourism marketing
33 plan that must be adopted by March 31, 2008, and every two years
34 thereafter. If the commission does not adopt a marketing plan by March
35 31st of even-numbered years, the director has the authority to approve
36 a tourism marketing plan for implementation. The plan shall
37 specifically address mechanisms for: (i) Funding national and

1 international marketing and nature-based tourism efforts; (ii)
2 interagency cooperation; and (iii) integrating the state plan with
3 local tourism plans.

4 (2) The commission may, in carrying out its efforts to expand the
5 tourism industry in the state:

6 (a) Solicit and receive gifts, grants, funds, fees, and endowments,
7 in trust or otherwise, from tribal, local, or other governmental
8 entities, as well as private sources, and may expend the same or any
9 income therefrom for tourism purposes. All revenue received for
10 tourism purposes shall be deposited into the tourism enterprise account
11 created in section 105 of this act;

12 (b) Host conferences and strategic planning workshops relating to
13 the promotion of nature-based and wildlife viewing tourism;

14 (c) Conduct or contract for tourism-related studies;

15 (d) Contract with individuals, businesses, or public entities to
16 carry out its tourism-related activities under this section; and

17 (e) Provide tourism-related organizations with marketing and other
18 technical assistance.

19 (3) Staff shall implement the strategic plan and the tourism
20 marketing plan.

21 NEW SECTION. **Sec. 104.** (1) A tourism competitive grant program is
22 created as an ongoing program to enhance local efforts that support
23 tourism-related activities. The commission shall develop and publicize
24 formal selection criteria for the grant program. Subject to available
25 funding, the commission shall solicit applications and award grants to
26 successful applicants at least once a year.

27 (2) Eligible applicants include, but are not limited to, local
28 governments, nonprofit organizations, and federally recognized Indian
29 tribes.

30 (3) Criteria should include the return on investment of state
31 funding, the availability of other financial resources to the
32 applicant, the level of community support, and other criteria deemed
33 necessary by the commission.

34 (4) Maximum grant amounts shall be determined by the commission.
35 Grant awards must reflect geographic diversity and a variety of
36 activities. Successful applicants must provide matching funds equal to

1 the amount of the grant. In-kind donations shall not be considered in
2 the match calculation.

3 (5) No portion of the grant may be used for an applicant's
4 administrative costs.

5 NEW SECTION. **Sec. 105.** The tourism enterprise account is created
6 in the custody of the state treasurer.

7 (1) All receipts from section 103(2)(a) of this act must be
8 deposited into the account. Only the executive director or the
9 executive director's designee may authorize expenditures from the
10 account. The account is subject to allotment procedures under chapter
11 43.88 RCW, but an appropriation is not required for expenditures.

12 (2) Moneys transferred from the state convention and trade account
13 to this account, as provided in RCW 67.40.040, shall be available for
14 expenditure in accordance with the requirements of this section. As
15 provided under subsection (3) of this section, moneys must be matched
16 with private sector cash contributions, the value of an advertising
17 equivalency contribution, or through an in-kind contribution. The
18 commission shall determine criteria for what qualifies as an in-kind
19 contribution. The moneys subject to match may be expended as private
20 match is received or with evidence of qualified expenditure.

21 (3)(a) Twenty-five percent of the moneys transferred in fiscal year
22 2009 are subject to a match;

23 (b) Fifty percent of the moneys transferred in fiscal year 2010 are
24 subject to a match; and

25 (c) One hundred percent of the moneys transferred in fiscal year
26 2011, and thereafter, are subject to a match.

27 (4) Expenditures from the account may be used by the department of
28 community, trade, and economic development only for the purposes of
29 expanding and promoting the tourism industry in the state of
30 Washington.

31 **Sec. 106.** RCW 67.40.040 and 2005 c 518 s 936 are each amended to
32 read as follows:

33 (1) The proceeds from the sale of the bonds authorized in RCW
34 67.40.030, proceeds of the taxes imposed under RCW 67.40.090 and
35 67.40.130, and all other moneys received by the state convention and
36 trade center from any public or private source which are intended to

1 fund the acquisition, design, construction, expansion, exterior cleanup
2 and repair of the Eagles building, conversion of various retail and
3 other space to meeting rooms, purchase of the land and building known
4 as the McKay Parcel, development of low-income housing, or renovation
5 of the center, and those expenditures authorized under RCW 67.40.170
6 shall be deposited in the state convention and trade center account
7 hereby created in the state treasury and in such subaccounts as are
8 deemed appropriate by the directors of the corporation.

9 (2) Moneys in the account, including unanticipated revenues under
10 RCW 43.79.270, shall be used exclusively for the following purposes in
11 the following priority:

12 (a) For reimbursement of the state general fund under RCW
13 67.40.060;

14 (b) After appropriation by statute:

15 (i) For payment of expenses incurred in the issuance and sale of
16 the bonds issued under RCW 67.40.030;

17 (ii) For expenditures authorized in RCW 67.40.170;

18 (iii) For acquisition, design, and construction of the state
19 convention and trade center; (~~and~~)

20 (iv) For debt service for the acquisition, design, and construction
21 and retrofit of the museum of history and industry museum property or
22 other future expansions of the convention center as approved by the
23 legislature; and

24 (v) For reimbursement of any expenditures from the state general
25 fund in support of the state convention and trade center; and

26 (c) For transfer to the state convention and trade center
27 operations account.

28 (3) The corporation shall identify with specificity those
29 facilities of the state convention and trade center that are to be
30 financed with proceeds of general obligation bonds, the interest on
31 which is intended to be excluded from gross income for federal income
32 tax purposes. The corporation shall not permit the extent or manner of
33 private business use of those bond-financed facilities to be
34 inconsistent with treatment of such bonds as governmental bonds under
35 applicable provisions of the Internal Revenue Code of 1986, as amended.

36 (4) In order to ensure consistent treatment of bonds authorized
37 under RCW 67.40.030 with applicable provisions of the Internal Revenue
38 Code of 1986, as amended, and notwithstanding RCW 43.84.092, investment

1 earnings on bond proceeds deposited in the state convention and trade
2 center account in the state treasury shall be retained in the account,
3 and shall be expended by the corporation for the purposes authorized
4 under chapter 386, Laws of 1995 and in a manner consistent with
5 applicable provisions of the Internal Revenue Code of 1986, as amended.

6 ~~(5) ((During the 2005-2007 fiscal biennium, the legislature may~~
7 ~~transfer from the state convention and trade center account to the~~
8 ~~state general fund such amounts as reflect the excess fund balance of~~
9 ~~the account.))~~ Subject to the conditions in subsection (6) of this
10 section, starting in fiscal year 2008, the state treasurer shall
11 transfer:

12 (a) The sum of four million dollars, or as much as may be available
13 pursuant to conditions set forth in this section, from the state
14 convention and trade center account to the tourism enterprise account,
15 with the maximum transfer being four million dollars per fiscal year;
16 and

17 (b) The sum of five hundred thousand dollars, or as much as may be
18 available pursuant to conditions set forth in this section, from the
19 state convention and trade center account to the tourism development
20 and promotion account, with the maximum transfer being five hundred
21 thousand dollars per fiscal year.

22 (6)(a) Funds required for debt service payments and reserves for
23 bonds issued under RCW 67.40.030; for debt service authorized under RCW
24 67.40.170; and for the issuance and sale of financial instruments
25 associated with the acquisition, design, construction, and retrofit of
26 the museum of history and industry museum property or for other future
27 expansions of the center, as approved by the legislature, shall be
28 maintained within the state convention and trade center account.

29 (b) No less than six million one hundred fifty thousand dollars per
30 year shall be retained in the state convention and trade center account
31 for funding capital maintenance as required by the center's long-term
32 capital plan, facility enhancements, unanticipated replacements, and
33 operating reserves for the convention center operation. This amount
34 shall be escalated annually as follows:

35 (i) Four percent for annual inflation for capital maintenance,
36 repairs, and replacement;

37 (ii) An additional two percent for enhancement to the facility; and

1 resources to an industry cluster-based approach to economic development
2 and identifying and assisting additional clusters. The department
3 shall use information gathered in each service delivery region in
4 formulating its industry cluster-based strategies and shall assist
5 local communities in identifying regional industry clusters and
6 developing industry cluster-based strategies.

7 ~~(2) ((The department shall pursue a coordinated program to expand
8 the tourism industry throughout the state in cooperation with the
9 public and private tourism development organizations. The department,
10 in operating its tourism program, shall:~~

11 ~~(a) Promote Washington as a tourism destination to national and
12 international markets to include nature based and wildlife viewing
13 tourism;~~

14 ~~(b) Provide information to businesses and local communities on
15 tourism opportunities that could expand local revenues;~~

16 ~~(c) Assist local communities to strengthen their tourism
17 partnerships, including their relationships with state and local
18 agencies;~~

19 ~~(d) Provide leadership training and assistance to local communities
20 to facilitate the development and implementation of local tourism
21 plans;~~

22 ~~(e) Coordinate the development of a statewide tourism and marketing
23 plan. The department's tourism planning efforts shall be carried out
24 in conjunction with public and private tourism development
25 organizations including the department of fish and wildlife and other
26 appropriate agencies. The plan shall specifically address mechanisms
27 for: (i) Funding national and international marketing and nature based
28 tourism efforts; (ii) interagency cooperation; and (iii) integrating
29 the state plan with local tourism plans.~~

30 ~~(3) The department may, in carrying out its efforts to expand the
31 tourism industry in the state:~~

32 ~~(a) Solicit and receive gifts, grants, funds, fees, and endowments,
33 in trust or otherwise, from tribal, local or other governmental
34 entities, as well as private sources, and may expend the same or any
35 income therefrom for tourism purposes. All revenue received for
36 tourism purposes shall be deposited into the tourism development and
37 promotion account created in RCW 43.330.094;~~

1 ~~(b) Host conferences and strategic planning workshops relating to~~
2 ~~the promotion of nature based and wildlife viewing tourism;~~

3 ~~(c) Conduct or contract for tourism related studies;~~

4 ~~(d) Contract with individuals, businesses, or public entities to~~
5 ~~carry out its tourism related activities under this section;~~

6 ~~(e) Provide tourism related organizations with marketing and other~~
7 ~~technical assistance;~~

8 ~~(f) Evaluate and make recommendations on proposed tourism related~~
9 ~~policies.~~

10 ~~(4))~~(a) The department shall promote, market, and encourage growth
11 in the production of films and videos, as well as television
12 commercials within the state; to this end the department is directed to
13 assist in the location of a film and video production studio within the
14 state.

15 (b) The department may, in carrying out its efforts to encourage
16 film and video production in the state, solicit and receive gifts,
17 grants, funds, fees, and endowments, in trust or otherwise, from
18 tribal, local, or other governmental entities, as well as private
19 sources, and may expend the same or any income therefrom for the
20 encouragement of film and video production. All revenue received for
21 such purposes shall be deposited into the film and video promotion
22 account created in RCW 43.330.092.

23 ~~((5))~~ (3) In assisting in the development of regional and
24 statewide industry cluster-based strategies, the department's
25 activities shall include, but are not limited to:

26 (a) Facilitating regional focus group discussions and conducting
27 studies to identify industry clusters, appraise the current information
28 linkages within a cluster, and identify issues of common concern within
29 a cluster;

30 (b) Supporting industry and cluster associations, publications of
31 association and cluster directories, and related efforts to create or
32 expand the activities of industry and cluster associations;

33 (c) Administering a competitive grant program to fund activities
34 designed to further regional cluster growth. In administering the
35 program, the department shall work with an industry cluster advisory
36 committee with equal representation from the work force training and
37 education coordinating board, the state board for community and

1 technical colleges, the employment security department, business, and
2 labor.

3 (i) The industry cluster advisory committee shall recommend
4 criteria for evaluating applications for grant funds and recommend
5 applicants for receipt of grant funds.

6 (ii) Applicants must include organizations from at least two
7 counties and participants from the local business community. Eligible
8 organizations include, but are not limited to, local governments,
9 economic development councils, chambers of commerce, federally
10 recognized Indian tribes, work force development councils, and
11 educational institutions.

12 (iii) Applications must evidence financial participation of the
13 partner organizations.

14 (iv) Priority shall be given to applicants which will use the grant
15 funds to build linkages and joint projects, to develop common resources
16 and common training, and to develop common research and development
17 projects or facilities.

18 (v) The maximum amount of a grant is one hundred thousand dollars.

19 (vi) A maximum of one hundred thousand dollars total can go to
20 King, Pierce, Kitsap, and Snohomish counties combined.

21 (vii) No more than ten percent of funds received for the grant
22 program may be used by the department for administrative costs.

23 ((+6+)) (4) As used in subsection ((+5+)) (3) of this section,
24 "industry cluster" means a geographic concentration of interdependent
25 competitive firms that do business with each other. "Industry cluster"
26 also includes firms that sell inside and outside of the geographic
27 region as well as support firms that supply raw materials, components,
28 and business services.

29 **Sec. 202.** RCW 43.330.094 and 2003 c 153 s 4 are each amended to
30 read as follows:

31 The tourism development and promotion account is created in the
32 state treasury. All receipts from RCW 36.102.060(10) ((and
33 ~~43.330.090(3)(a)~~)) must be deposited into the account. Moneys in the
34 account ((~~received under RCW 36.102.060(10)~~)) may be spent only after
35 appropriation. ((~~No appropriation is required for expenditures from~~
36 ~~moneys received under RCW 43.330.090(3)(a).~~)) Expenditures from the

1 account may be used by the department of community, trade, and economic
2 development only for the purposes of expanding and promoting the
3 tourism industry in the state of Washington.

4 NEW SECTION. **Sec. 203.** RCW 43.330.095 (Tourism development
5 advisory committee) and 1998 c 299 s 2 are each repealed.

6 NEW SECTION. **Sec. 204.** Part headings used in this act are not any
7 part of the law.

8 NEW SECTION. **Sec. 205.** RCW 43.330.096 is recodified in the new
9 chapter created in section 206 of this act.

10 NEW SECTION. **Sec. 206.** Sections 101 through 105 of this act
11 constitute a new chapter in Title 43 RCW.

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