

CERTIFICATION OF ENROLLMENT
ENGROSSED FOURTH SUBSTITUTE SENATE BILL 5251

65th Legislature
2018 Regular Session

Passed by the Senate March 5, 2018
Yeas 49 Nays 0

President of the Senate

Passed by the House March 2, 2018
Yeas 98 Nays 0

Speaker of the House of Representatives

Approved

Governor of the State of Washington

CERTIFICATE

I, Brad Hendrickson, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED FOURTH SUBSTITUTE SENATE BILL 5251** as passed by Senate and the House of Representatives on the dates hereon set forth.

Secretary

FILED

**Secretary of State
State of Washington**

ENGROSSED FOURTH SUBSTITUTE SENATE BILL 5251

AS AMENDED BY THE HOUSE

Passed Legislature - 2018 Regular Session

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 and state funds, other than general fund state funds,
33 contributed to the authority for purposes of this 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 representative from the department, state
2 parks and recreation commission, department of transportation, and
3 other state agencies as the authority deems appropriate; 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. A two-to-one nonstate or state fund, other than general

1 fund state, match must be provided for all expenditures from the
2 account. A match may consist of nonstate or state fund, other than
3 general fund state, cash contributions deposited in the private local
4 account created under section 3(4) of this act, the value of an
5 advertising equivalency contribution, or an in-kind contribution. The
6 board must determine criteria for what qualifies as an in-kind
7 contribution.

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

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

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

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

29 (2) All nonstate moneys received by the authority under section 7
30 of this act or otherwise provided to the authority for purposes of
31 matching funding must be deposited in the authority's private local
32 account created under section 3(4) of this act and are held in trust
33 for uses authorized solely by this chapter.

34 NEW SECTION. **Sec. 7.** GIFTS OR GRANTS TO THE WASHINGTON TOURISM
35 MARKETING AUTHORITY. The board may receive gifts, grants, or
36 endowments from public or private sources that are made from time to
37 time, in trust or otherwise, for the use and benefit of the purposes
38 of the authority and spend gift, grants, or endowments or income from

1 public or private sources according to their terms, unless the
2 receipt of gifts, grants, or endowments violates RCW 42.17A.560.

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

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

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

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

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

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

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

1 appropriation. The office of financial management shall determine the
2 amounts due to or from the federal government pursuant to the cash
3 management improvement act. The office of financial management may
4 direct transfers of funds between accounts as deemed necessary to
5 implement the provisions of the cash management improvement act, and
6 this subsection. Refunds or allocations shall occur prior to the
7 distributions of earnings set forth in subsection (4) of this
8 section.

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

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

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

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

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

1 capital projects account, the Yakima integrated plan implementation
2 account, the Yakima integrated plan implementation revenue recovery
3 account, and the Yakima integrated plan implementation taxable bond
4 account. Earnings derived from investing balances of the agricultural
5 permanent fund, the normal school permanent fund, the permanent
6 common school fund, the scientific permanent fund, the state
7 university permanent fund, and the state reclamation revolving
8 account shall be allocated to their respective beneficiary accounts.

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

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

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

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

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