SENATE BILL 5492

State of Washington 69th Legislature 2025 Regular Session

By Senators Riccelli, Chapman, Cleveland, Dozier, Goehner, Harris, Krishnadasan, and C. Wilson

Read first time 01/24/25. Referred to Committee on Business, Financial Services & Trade.

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

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- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- The legislature finds that the tourism 5 NEW SECTION. Sec. 1. 6 industry is the fourth largest economic sector in the state, 7 generating approximately \$23.9 billion in annual revenue and employing more than 230,000 direct and induced jobs. Industry data 8 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 14 The Washington tourism marketing authority competitive states. 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
- Therefore, the legislature intends to solicit recommendations to evaluate an industry self-supported assessment to ensure a dedicated

local tax revenue for every \$1 invested.

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- and sustainable funding mechanism for statewide tourism promotion and management.
- **Sec. 2.** RCW 43.384.030 and 2018 c 275 s 4 are each amended to 4 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

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

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- ((+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
- 9 (b) One member from a federally recognized Indian tribe appointed 10 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.
- $((\frac{(6)}{(6)}))$ (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.
 - $((\frac{7}{1}))$ <u>(5)</u> A majority of the board constitutes a quorum.
- 22 $((\frac{(8)}{(8)}))$ (6) The board must create its own bylaws in accordance 23 with the laws of the state of Washington.
- $((\frac{(9)}{)})$ 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.
- 28 $((\frac{(10)}{(10)}))$ If a vacancy occurs on the board, a replacement must 29 be appointed for the unexpired term.
- $((\frac{(11)}{(11)}))$ 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.
 - $((\frac{12}{12}))$ (10) The board must meet at least quarterly.
- $((\frac{(13)}{(13)}))$ <u>(11)</u> 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. 3. (1) The board of directors of the tourism marketing authority must appoint a tourism self-supported assessment advisory group. The advisory group must evaluate the viability of an

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- industry self-supported assessment to fund statewide tourism 1 2 promotion and recommend procedures to establish the self-supported 3 assessment.
- (2) The tourism self-supported assessment advisory group must 4 consist of at least eight members that represent sectors of the 6 tourism industry that may be considered for the self-supported 7 assessment, including:
 - (a) Two members representing the lodging sector;

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- (b) One member representing the beverage sector;
- (c) One member representing the arts and culture sector; 10
- 11 (d) One member representing the tour operators sector;
- 12 (e) One member representing the attractions sector;
 - (f) One member representing the transportation sector; and
- 14 (g) One member representing a statewide Washington tourism promotion nonprofit. 15
- (3) The tourism self-supported assessment advisory group must 16 17 make recommendations for the following:
- 18 (a) The classification of businesses proposed to be included in 19 the self-supported assessment;
- 20 (b) The self-supported assessment methodology including the 21 petition process for businesses to approve the self-supported 22 assessment;
- 23 (c) The rate of self-supported assessment for each business classification; 24
- 25 (d) The characteristics of a business within a classification 26 that will benefit from the self-supported assessment;
- 27 (e) The time period or duration of the self-supported assessment; 28 and
- The establishment of an oversight board for ratepayers 29 (f) representing businesses by self-supported assessments. 30
- 31 (4) The tourism self-supported assessment advisory group must 32 submit its recommendations in writing to the legislature by November 33 1, 2025.
- (5) This section expires June 1, 2026. 34

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