

AMENDED IN SENATE APRIL 2, 2014

SENATE BILL

No. 1119

Introduced by Senator Leno

February 19, 2014

An act to amend Section ~~13995.1~~ 13995.92 of the Government Code, relating to tourism.

LEGISLATIVE COUNSEL'S DIGEST

SB 1119, as amended, Leno. California Travel and Tourism Commission.

~~The California Tourism Marketing Act sets forth the findings and declarations of the Legislature with regard to travel and tourism in the state generally, including findings regarding state funding of marketing.~~ *authorizes the establishment of the California Travel and Tourism Commission, a nonprofit mutual benefit corporation, for the purpose of promoting tourism in California, as specified. The act provides for an assessment for the passenger rental car industry to be adopted by referendum on a proposed rate set by the commission that will generate funding that, when aggregated with other funding for the commission, is sufficient to fund approved marketing plan costs of no less than \$50,000,000 per fiscal year.*

~~This bill would make technical, nonsubstantive changes to these provisions.~~ *require that the proposed assessment be set at a rate that will generate no more than 70% of the total funding, that when so aggregated, will be sufficient to fund the approved marketing plan and all administrative costs of no more than \$70,000,000 per fiscal year.*

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 13995.92 of the Government Code is
2 amended to read:

3 13995.92. The proposed assessment for the passenger rental
4 car industry rate shall be set at a level determined by the
5 commission that will generate *no more than 70 percent of the total*
6 *funding that will be sufficient, when aggregated together with*
7 *other funding for the commission for an amount sufficient to fund*
8 *the approved marketing plan and all administrative costs of no*
9 *less more than fifty seventy million dollars (\$50,000,000)*
10 *(\$70,000,000) per fiscal year.*

11 SECTION 1. Section 13995.1 of the Government Code is
12 amended to read:

13 13995.1. The Legislature hereby finds and declares all of the
14 following:

15 (a) ~~Tourism is among California's biggest industries,~~
16 ~~contributing over fifty-two billion dollars (\$52,000,000,000) to~~
17 ~~the state economy and employing nearly 700,000 Californians in~~
18 ~~1995.~~

19 (b) ~~In order to retain and expand the tourism industry in~~
20 ~~California, it is necessary to market travel to and within California.~~

21 (c) ~~State funding, while an important component of marketing,~~
22 ~~has been unable to generate sufficient funding to meet the threshold~~
23 ~~levels necessary to reverse recent losses of California's tourism~~
24 ~~market share.~~

25 (d) ~~In regard to the need for a cooperative partnership between~~
26 ~~business and industry:~~

27 (1) ~~It is in the state's public interest and vital to the welfare of~~
28 ~~the state's economy to expand the market for, and develop,~~
29 ~~California tourism through a cooperative partnership funded in~~
30 ~~part by the state that will allow generic promotion and~~
31 ~~communication programs.~~

32 (2) ~~The mechanism established by this chapter is intended to~~
33 ~~play a unique role in advancing the opportunity to expand tourism~~
34 ~~in California, and it is intended to increase the opportunity for~~
35 ~~tourism to the benefit of the tourism industry and the consumers~~
36 ~~of the State of California.~~

1 ~~(3) Programs implemented pursuant to this chapter are intended~~
2 ~~to complement the marketing activities of individual competitors~~
3 ~~within the tourism industry.~~

4 ~~(4) While it is recognized that smaller businesses participating~~
5 ~~in the tourism market often lack the resources or market power to~~
6 ~~conduct these activities on their own, the programs are intended~~
7 ~~to be of benefit to businesses of all sizes.~~

8 ~~(5) These programs are not intended to, and they do not, impede~~
9 ~~the right or ability of individual businesses to conduct activities~~
10 ~~designed to increase the tourism market generally or their own~~
11 ~~respective shares of the California tourism market, and nothing in~~
12 ~~the mechanism established by this chapter shall prevent an~~
13 ~~individual business or participant in the industry from seeking to~~
14 ~~expand its market through alternative or complementary means,~~
15 ~~or both.~~

16 ~~(6) (A) An individual business's own advertising initiatives are~~
17 ~~typically designed to increase its share of the California tourism~~
18 ~~market rather than to increase or expand the overall size of that~~
19 ~~market.~~

20 ~~(B) In contrast, generic promotion of California as a tourism~~
21 ~~destination is intended and designed to maintain or increase the~~
22 ~~overall demand for California tourism and to maintain or increase~~
23 ~~the size of that market, often by utilizing promotional methods~~
24 ~~and techniques that individual businesses typically are unable, or~~
25 ~~have no incentive, to employ.~~

26 ~~(7) This chapter creates a mechanism to fund generic promotions~~
27 ~~that, pursuant to the required supervision and oversight of the~~
28 ~~secretary as specified in this chapter, further specific state~~
29 ~~governmental goals, as established by the Legislature, and result~~
30 ~~in a promotion program that produces nonideological and~~
31 ~~commercial communication that bears the characteristics of, and~~
32 ~~is entitled to all the privileges and protections of, government~~
33 ~~speech.~~

34 ~~(8) The programs implemented pursuant to this chapter shall~~
35 ~~be carried out in an effective and coordinated manner that is~~
36 ~~designed to strengthen the tourism industry and the state's economy~~
37 ~~as a whole.~~

38 ~~(9) Independent evaluation of the effectiveness of the programs~~
39 ~~will assist the Legislature in ensuring that the objectives of the~~
40 ~~programs as set out in this section are met.~~

1 ~~(e) An industry-approved assessment provides a private-sector~~
2 ~~financing mechanism that, in partnership with state funding, will~~
3 ~~provide the amount of marketing necessary to increase tourism~~
4 ~~marketing expenditures by California.~~

5 ~~(f) The goal of the assessments is to assess the least amount per~~
6 ~~business, in the least intrusive manner, spread across the greatest~~
7 ~~practical number of tourism industry segments.~~

8 ~~(g) The California Travel and Tourism Commission shall target~~
9 ~~an amount determined to be sufficient to market effectively travel~~
10 ~~and tourism to and within the state.~~

11 ~~(h) In the course of developing its written marketing plan~~
12 ~~pursuant to Section 13995.45, the California Travel and Tourism~~
13 ~~Commission shall, to the maximum extent feasible, do both of the~~
14 ~~following:~~

15 ~~(1) Seek advice and recommendations from all segments of~~
16 ~~California's travel and tourism industry and from all geographic~~
17 ~~regions of the state.~~

18 ~~(2) Harmonize, as appropriate, its marketing plan with the travel~~
19 ~~and tourism marketing activities and objectives of the various~~
20 ~~industry segments and geographic regions.~~

21 ~~(i) The California Travel and Tourism Commission's marketing~~
22 ~~budget shall be spent principally to bring travelers and tourists into~~
23 ~~the state. No more than 15 percent of the commission's assessed~~
24 ~~funds in any year shall be spent to promote travel within California,~~
25 ~~unless approved by at least two-thirds of the commissioners.~~