

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 2044

DATE: April 14, 2004

Version: Fourth Engrossment

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Subject: Transfer of tourism function

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Overview

This bill creates a new office within the executive branch and under the supervision of the commissioner of employment and economic development ("DEED") to be known as Explore Minnesota Tourism and transfers responsibility for promotion of tourism in Minnesota from DEED to the new office.

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- 1 **Publicity representatives permitted.** This section adds Explore Minnesota Tourism to the list of state agencies that are not prohibited from employing publicity representatives.
- 2 **DEED agreements.** Removes tourism from the list of subjects upon which DEED may contract with regional development commissions.
- 3 **Deputy commissioners.** Eliminates the requirements that one deputy commissioner of DEED direct the Minnesota Trade Office and that one direct the Office of Tourism. Changes designation of persons to be located by DEED in non-metropolitan offices from "trade and economic development officers" to "employment and economic development officers."
- 4 **Promotional expenses.** Eliminates tourism from DEED's authority to incur promotional expenses.
- 5 **Explore Minnesota Tourism created.** Creates Explore Minnesota Tourism as an executive branch office with a director appointed by the governor and under the supervision of the commissioner of DEED. Director serves in the unclassified service and must be qualified by

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experience and training in travel and tourism.

6 **Definitions.** Defines "director" and "office" for purposes of this chapter.

7 **Mission.** Establishes mission of office as promoting and facilitating increased travel to and within Minnesota. Goals of office include: expansion of public and private partnerships, increasing productivity, and using innovative fiscal and human resources practices. The director must report to the legislature on the office's operations and accomplishment of its goals in its biennial budget.

8 **Organization.** Authorizes the director to employ others and to define the duties of any officers, employees and agents.

9 **Explore Minnesota Tourism Council established.** Establishes 28-member advisory council. Members are appointed by governor for 4-year terms and must include: the director of Explore Minnesota Tourism as chair, 11 representatives of statewide associations representing specified tourism and hospitality groups, one representative from each of 4 tourism marketing areas to be designated by the office, 6 representatives of specified tourism businesses, one or more ex-officio non-voting members including one from the University of Minnesota Tourism Center, two legislators from each house, and other persons designated by the governor. Describes mission of council and means of filling vacancies, provides for staggered terms, and requires the council to meet at least four times per year. Council does not expire.

10 **Duties of director.** Specifies nine required duties of the director and nine additional permitted activities. Contracts made pursuant to this section are not governed by certain portions of state procurement law requiring the commissioner of administration to handle all acquisitions for state agencies, and concerning competitive bidding and barter arrangements.

11 **Promotional expenses.** Permits promotional expenditures by the director to be made in the same manner as private entities make promotional expenditures. Policies for promotional expenses must be approved by the Tourism Council and the commissioner of administration. A policy for expenditures on food, lodging and travel must be approved by the commissioner of employee relations. No money may be expended for the radio or television appearance of an elected public official. (Same language as section 116J.60 covering promotional expenses at DEED.)

12 **Agreements prohibited.** Director may not agree to obligate the state to pay any part of a debt incurred by a public or private facility, organization or attraction.

13 **Sale of publications.** Permits the director to sell reports, publications and other material without rulemaking or prior legislative approval. The director may also sell advertising in such publications.

14 **Revenue.** Provides that revenues received by the director must be deposited in a special revenue account and are appropriated to the director for the purposes of this chapter.

15 **Grants, gifts.** Provides that the director may accept grants and gifts and use such grants or gifts in accordance with their terms. Provides that the director may also make grants and gifts. Gift acceptance procedures of sections 16A.013 to 16A.016 do not apply.

16 **Nonprofit corporations.** Provides that the director may establish nonprofit corporations and charitable foundations. Duties of the director or the office may not be transferred to a nonprofit corporation or foundation.

17 **Transition.** All Office of Tourism activities transferred to Explore Minnesota Tourism effective July 1, 2004. DEED to provide specified services to Explore Minnesota Tourism through June 30, 2005. Effective July 1, 2005, one FTE for communications and one FTE for research is permanently transferred from DEED to Explore Minnesota Tourism. Provides

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that funding for transitional services provided by DEED, rent and salaries are to be added to the base budget for Explore Minnesota Tourism, and subtracted from the base budget for DEED, for the next biennium.

18 **Space for travel information centers.** Changes "office of tourism" to "Explore Minnesota Tourism" for purposes of the requirement that DEED provide free space for travel information centers and free maps for distribution at travel information centers.

19 **Conforming change.**

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21 **Repealer.** Repeals statutes providing for the appointment of deputy director of tourism, prohibiting DEED from operating a travel reservation system, describing the duties of the deputy director of tourism, prohibiting certain agreements by the office of tourism, and permitting the office of tourism to sell publications.

22 **Effective date.** Effective July 1, 2004 except as otherwise specified.