

**Title 10, Chapter 7.65, Subchapter 1, Sections 5350 – 5358.11
Tourism Market Act**

Notice published April 17, 2015

NOTICE OF PROPOSED RULEMAKING

The Office of Tourism (the “Office”) proposes to amend the proposed regulations described below after considering all comments, objections, and recommendations regarding the proposed action.

PUBLIC HEARING

The Office has not scheduled a public hearing for this proposed action. However, if it receives a written request for a public hearing from any interested person or his or her authorized representative no later than 15 days before the close of the written comment period, the Office will conduct a public hearing on this proposed action and will notify all interested parties of the date, time, and location of the hearing pursuant to Government Code section 11346.8(a). Pursuant to California Government Code section 11343.4(b)(3), the Office intends to request that, if approved, these regulations become effective immediately upon their submission to the California Secretary of State.

WRITTEN COMMENT PERIOD AND SUBMITTAL OF COMMENTS

Any interested person, or his or her authorized representative, may submit written comments relevant to the proposed regulatory action to the Office at the address below. Comments may also be submitted by email to regcomments@weintraub.com. The written comment period closes at **5:00 p.m. on June 5, 2015**. The Office will only consider comments received at the Law Offices of Weintraub | Tobin, outside counsel to the Travel and Tourism Commission, by that time. Submit comments to:

Weintraub | Tobin
Attn: Scott M. Plamondon
400 Capitol Mall, 11th Floor
Sacramento, CA 95814

AUTHORITY AND REFERENCE

Government Code Section 13995.69(c) authorizes the Office to adopt these proposed regulations. The proposed regulations properly revise obsolete term references and make specific Sections 13995.20, 13995.65, and 13995.92 of the Government Code.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

The California Tourism Marketing Act was enacted in 1995, to increase California's share of the travel and tourism market (Government Code sections 13995 et. seq.) The legislation authorized self-imposition of an assessment by businesses that benefit from travel and tourism. It also authorized the establishment of a non-profit, public benefit corporation, the California Travel and Tourism Commission (CTTC) also known as Visit California. The statute became operative upon industry wide approval in 1997 and the assessment program was initiated in 1998. As originally implemented, regulations were developed that required the Secretary of the Business, Transportation and Housing Agency (Secretary), based on a resolution adopted by the CTTC, to call a referendum and assesses businesses within the travel and tourism industry. However, In October 2011, under Assembly Bill 29, the Governor's Office of Business and Economic Development (GO-Biz) was created and under the Governor's Reorganization Plan No. 2 of 2012, existing programs, including the Office of Tourism and the CTTC were transferred to GO-Biz effect July 1, 2013. Consequently, certain terms and references like "Secretary" in the regulations for the Tourism Market Act under Title 10, Chapter 7.65, Section 5350-5358.1 became obsolete.

Further, in 2014, under Senate Bill (SB) 1119 Government Code Section 13995.92 was revised to require that the proposed assessment of the passenger car rental industry be set by the commission at a rate of no more than 3.5% and that such rate will generate no more than 60% of all expenditures set by the commission, as provided, and that the approved marketing plan of the commission be no less than \$50,000,000 per fiscal year. Given that the revised statute did not define "expenditures," the proposed regulations provide clarity to the statute.

The regulations proposed in this rulemaking action would correct portions of the regulations that refer to obsolete terms. Further, the proposed regulations will modify the passenger car rental industry's assessment calculation to reflect and clarify the recent change in SB 1119.

Anticipated Benefits of the Proposed Regulation:

The proposed regulations will properly delete obsolete terms and ensure that Assessed Businesses (defined under Government Code Section 13995 et seq.) will have a clear understanding of methods and rates implemented in calculation of the assessment.

Determination of Inconsistency/Incompatibility with Existing State Regulations:

No other currently existing state agency has issued any regulations relating to the proposed regulations, therefore there are no inconsistencies or incompatibilities with existing state regulations.

DISCLOSURES REGARDING PROPOSED ACTION

The Office has made the following initial determinations:

Mandate on local agencies and school districts: None.

Cost or savings to any state agency: No additional costs.

Cost to any local agency or school district which must be reimbursed in accordance with Government Code sections 17500 through 17630: None.

Other nondiscretionary cost or savings imposed on local agencies: None.

Cost or savings in federal funding to the state: None.

Cost impacts on a representative private person or business:

While there is not a direct cost to private persons or businesses because of the revision to the regulations, the statute does effectively create a higher assessment rate that may be passed on to private persons or businesses by Assessed Businesses.

Significant effect on housing costs: None.

CONSIDERATION OF ALTERNATIVES

In accordance with Government Code section 11346.5, subdivision(a)(13), the Office must determine that no reasonable alternative it considered or that has been otherwise been identified and brought to the attention of the agency would be: (1) more effective in carrying out the purpose for which the action is proposed or (2) would be as effective and less burdensome to affected private persons than the proposed action, or (3) would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

CONTACT PERSONS

Inquiries concerning the proposed administrative action may be direct to:

Weintraub | Tobin
Attn: Scott M. Plamondon
400 Capitol Mall, 11th Floor
Sacramento, CA 95814

Please direct requests for copies of the proposed text of the regulations, the Initial Statement of Reasons, or other information upon which the rulemaking is based to Scott M. Plamondon at the above address.

AVAILABILITY OF STATEMENT OF REASONS, TEXT OF PROPOSED REGULATIONS, AND RULEMAKING FILE

Weintraub | Tobin will have the entire rulemaking file available for inspection and copying throughout the rulemaking process at its office at the address above. As of the date this notice is published in the Notice Register, the rulemaking file consists of this notice, the proposed text of the regulations, and the Initial Statement of Reasons. Copies may be obtained by downloading them at <http://californiatourism.ca.gov/About> or contacting Scott M. Plamondon at the above address or at regcomments@weintraub.com.

AVAILABILITY OF CHANGED OR MODIFIED TEXT

After considering all timely and relevant comments received, the Office of Tourism may adopt the proposed regulations substantially as described in this notice. If the Office of Tourism makes modifications which are sufficiently related to the originally proposed text, it will make the modified text (with the changes clearly indicated) available to the public for at least 15 days before the Office of Tourism adopts the regulations as revised. Please send requests of any modified regulations to the attention of Scott M. Plamondon at the address indicated above. The Office of Tourism will accept written comments on the modified regulations for 15 days after the date on which they are made available.

AVAILABILITY OF FINAL STATEMENT OF REASONS

Upon its completion, copies of the Final Statement of Reasons may be obtained by contacting Scott M. Plamondon at the address above.

AVAILABILITY OF DOCUMENTS ON THE INTERNET

Copies of the Notice of Proposed Action, the Initial Statement of Reasons, and the text of the regulations can be accessed on the website at <http://californiatourism.ca.gov/About>.