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RULES CLEARINGHOUSE

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CLEARINGHOUSE REPORT TO AGENCY

[THIS REPORT HAS BEEN PREPARED PURSUANT TO S. 227.15, STATS. THIS IS A REPORT ON A RULE AS ORIGINALLY PROPOSED BY THE AGENCY; THE REPORT MAY NOT REFLECT THE FINAL CONTENT OF THE RULE IN FINAL DRAFT FORM AS IT WILL BE SUBMITTED TO THE LEGISLATURE. THIS REPORT CONSTITUTES A REVIEW OF, BUT NOT APPROVAL OR DISAPPROVAL OF, THE SUBSTANTIVE CONTENT AND TECHNICAL ACCURACY OF THE RULE.]

CLEARINGHOUSE RULE 00-037

AN ORDER to amend Tour 1.03 (3) (a), relating to the joint effort marketing program.

Submitted by **DEPARTMENT OF TOURISM**

02-11-00 RECEIVED BY LEGISLATIVE COUNCIL.

03-06-00 REPORT SENT TO AGENCY.

RS:DD:jal

LEGISLATIVE COUNCIL RULES CLEARINGHOUSE REPORT

This rule has been reviewed by the Rules Clearinghouse. Based on that review, comments are reported as noted below:

1. STATUTORY AUTHORITY [s. 227.15 (2) (a)]

Comment Attached YES NO

2. FORM, STYLE AND PLACEMENT IN ADMINISTRATIVE CODE [s. 227.15 (2) (c)]

Comment Attached YES NO

3. CONFLICT WITH OR DUPLICATION OF EXISTING RULES [s. 227.15 (2) (d)]

Comment Attached YES NO

4. ADEQUACY OF REFERENCES TO RELATED STATUTES, RULES AND FORMS
[s. 227.15 (2) (e)]

Comment Attached YES NO

5. CLARITY, GRAMMAR, PUNCTUATION AND USE OF PLAIN LANGUAGE [s. 227.15 (2) (f)]

Comment Attached YES NO

6. POTENTIAL CONFLICTS WITH, AND COMPARABILITY TO, RELATED FEDERAL
REGULATIONS [s. 227.15 (2) (g)]

Comment Attached YES NO

7. COMPLIANCE WITH PERMIT ACTION DEADLINE REQUIREMENTS [s. 227.15 (2) (h)]

Comment Attached YES NO

NOTICE OF HEARING

NOTICE IS HEREBY GIVEN that pursuant to s. 41.17 (4) (g), Stats., the Wisconsin Department of Tourism will hold a hearing at the time and place shown below to consider a proposed order to amend TOUR s. 1.03 (3) (a) relating to the joint effort marketing program.

HEARING INFORMATION

The hearing will be held at the Department of Tourism, Meeting Room 2B, 201 West Washington Avenue, Madison, Wisconsin, on Wednesday March 15, 2000 at 10:00 a.m.

WRITTEN COMMENTS

Written comments on the proposed rules may be sent to the contact person by Friday March 31, 2000. Written comments will receive the same consideration as written or oral testimony presented at the hearing.

Analysis Prepared by the Department of Tourism

Section 41.17, Stats., creates a joint effort marketing program and s. 41.17 (4) (g), Stats., authorizes the Department to adopt rules required to administer the program. The program provides for grants to non-profit organizations engaged in tourism activities. Grant funds may be used for the development of publicity, the production and media placement of advertising, direct mail, and for destination marketing projects certain expenses related to attendance at trade shows. To be eligible, expenditures must be part of a project and overall advertising plan of the applicant organization intended to increase tourism in Wisconsin.

The current rules authorize funding for projects that relate to tourism events, promotions and destination marketing projects. An example of an event might be a town festival. An example of a promotion might be the advertising of discounted entry and accommodation fees within an area for a limited period of time intended to attract tourists to a destination during shoulder or off season. Destination marketing is advertising that is not necessarily connected to an event or promotion, but that advertises a region of the state to a market that is identified in the statewide marketing plan as regional or extended regional, or that advertises a region of the state to potential meeting and convention or motorcoach visitors. Destination marketing advertising must be intended to attract tourists during a time that has not traditionally attracted substantial tourism to the area, and the proposal must be from an applicant representing a region made up of three or more municipalities. Funding under the Destination Marketing category is limited to \$5,000 per municipality represented in an application and no more than \$20,000 total per application.

The proposed rule increases the maximum limits for destination marketing projects to \$10,000 per municipality represented and a total maximum per destination marketing project equal to the lesser of \$40,000 or 7% of the fiscal year budget for destination marketing projects. It also

7 sec. 945c

makes clear that the 7% limit for all JEM projects is based upon the applicable share of the annual JEM budget. 1999 Wisconsin Act 9 (the recently adopted biennial budget) directs the Department of Tourism to increase the budget for Joint Effort Marketing to not less than \$1,130,000 each year. The Joint Effort Marketing Program budget for the last year of the previous biennium was \$700,000. One result of the mandated increase was to increase the maximum funding for all Joint Effort Marketing categories other than Destination Marketing. The rule produces a similar increase for Destination Marketing.

Initial Regulatory Flexibility Analysis

NOTICE IS HEREBY GIVEN that pursuant to 227.14 Stats., the proposed rule will have minimal impact on small businesses. The initial regulatory flexibility analysis as required by 227.17 (3)(f), Stats., is as follows:

- (1) Type of small business affected by the rule: None
- (2) The proposed reporting, bookkeeping and other procedures required for compliance with the rule: None
- (3) The types of professional skills necessary for compliance with the rule: None.

Fiscal Estimate

The proposed rule has no fiscal effect.

Contact Person

For additional information about or copies of the proposed rules contact:

Dennis Fay, General Counsel, 608/266-6747
Wisconsin Department of Tourism
P. O. Box 7976
Madison, WI 53707-7976

Pursuant to the authority vested in the Department of Tourism, by s. 41.17 (4) (g), Stats., and interpreting s. 41.17, Stats., the Department hereby amends rules as follows:

SECTION 1. TOUR 1.03 (3) (a) is amended to read:

TOUR 1.03 (3) (a) For projects described in s. TOUR 1.02 (6) (a) to (d), no more than 7% of the applicable joint effort marketing fiscal year budget. For a project described in s. TOUR 1.02 (6) (f) no more than ~~\$5000~~ \$10,000 for each municipality served by the project and no more than a

total of ~~\$20,000~~ the lesser of \$40,000 or 7% of the applicable joint effort marketing fiscal year budget.

EFFECTIVE DATE. The regulations set forth in this order shall be effective on the first day of the month following publication in the Wisconsin administrative register as provided in s.227.22(2) (intro.), Stats.

Dated: _____

Agency:
Moose Speros
Secretary