



ARIZONA OFFICE OF TOURISM
Title 20, Chapter 3, Article 1

FIVE YEAR REVIEW

This report summarizes the results of a review of the four rules under which the Arizona Office of Tourism operates. Under Arizona Administrative Code, R1-6-111(A), the information for each category is discussed only once where it is identical for the rules listed.

1. General Statute Authorizing the Rules:

For the Arizona Office of Tourism the general and specific rulemaking authority is A.R.S. § 41-2305(B)(5) and (B)(12).

All of the rules are generally authorized by Arizona Revised Statutes § 41-2305(B). A.R.S. § 41-2305(B)(5) provides that the Arizona Office of Tourism may adopt rules to govern its procedures and business. A.R.S. § 41-2305(B)(12) authorizes the Office to engage in joint ventures with private corporations to further the goals of the Office of Tourism.

2. Objectives of the Rules:

R20-3-101. Definitions.

This rule defines a “joint venture activity” and identifies its participants as the Office and one or more private corporations.

R20-3-102. Application Procedures, Costs and Marketing Plan.

This rule explains the procedures that must be followed to participate in a joint venture with the Office. It provides that either the Office may request proposals from private corporations or private corporations may initiate a proposal to participate in a joint venture activity.

R20-3-103. Standards for Participants.

This rule lists the specific criteria the Office must consider when evaluating a joint venture proposal.

R20-3-104. Conditions of Participation.

This rule establishes the responsibilities of a private corporation in a joint venture with the Office.



3. Effectiveness of the Rules in Achieving their Objectives:

All of the rules effectively achieve their objectives. The Office believes the content of each of the rules needs to be maintained so the Office can efficiently and effectively perform its statutory responsibilities.

4. Consistency of the Rules with State and Federal Statutes and Rules:

These rules are consistent with enabling legislation, A.R.S. § 41-2305(B)(5) and (B)(12). A.R.S. § 41-2305(B)(12) requires that the joint ventures entered into by the Office conform to Arizona's constitution and laws. No federal law applies to this rule.

5. Office Enforcement Policy:

The Office believes its enforcement policy is well within the original intent of the statute, which provides for joint ventures with 'private corporations'. Primarily, corporations such as Chambers of Commerce, Conventions & Visitors Bureaus, tourism associations, Museums, Visitor Centers, Indian Tribes and to a lesser extent, cities and towns, participate in these programs; provide additional expertise and effectively leverage the Office's advertising budget and marketing ventures for the state. The Office consistently and fairly enforced these rules. While enforcing any of these rules since the last five-year review, no problems or issues have occurred.

6. Clarity, Conciseness and Understandability:

All of the rules are generally clear and understandable. They contain no unnecessary verbiage and follow a logical order. However, the Office intends to pursue an amendment of A.R.S. § 41-2305(B)(12) to amend the term "private corporation" to the term "person" to better define eligible participants in joint ventures as the office believes the legislature originally intended.

7. Written Criticisms:

The Office has not received any written criticisms of these rules within the last five years.

8. Comparison of the current economic, small business and consumer impact of the rules:

The Office does not have previous economic, small business and consumer impact statements to provide a comparison of data to reflect direct economic gain and impact to Arizona's small businesses and consumers. However, research indicates that Return on Investment (ROI) data determined from a study of advertising (ad) effectiveness shows a state tax return of \$11.58 per advertising dollar invested. The Office is confident that the benefit to the State from the joint venture activities far exceeds its cost.



9. Comparison of rules impact on state's business impact analysis submitted by another person:

The Office has not received any business impact analysis submitted by another person.

10. Completed Previous Course of Action

Research continues regarding the potential of establishing opportunities to earn revenues through brand partnerships and other collaborations within these joint ventures to leverage marketing dollars and broaden reach and awareness in promoting travel to Arizona. No defined course of action is established at this time.

11. Determination of burden and costs imposed by rules:

As written, the rules impose the least burden and cost to persons regulated by the rules. The rules result in the Office of Tourism and its partners spending more money in media and promotional activities. The tourism industry in Arizona is positively impacted, resulting in additional revenue to the state and businesses throughout the state.

12. Proposed Course of Action:

The Office will seek amendment of A.R.S. § 41-2305(B)(12) at a future date and intends to amend the rules after the statute is amended.