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Jackie McClaskey, Secretary

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**Testimony in Support of HB 2546 to
The House Agriculture and Natural Resources Budget Committee
By Josh Roe
Kansas Department of Agriculture
February 1, 2018**

Good afternoon Chairman Schroeder and members of the committee, my name is Josh Roe and I am a deputy secretary at the Kansas Department of Agriculture (KDA). I am here to testify in support of HB 2546.

KDA is in support of the concept behind this bill in providing additional funding for capital improvements for the Kansas State Fair (KSF). However, we believe that this bill could inadvertently narrow the list of options available for securing resources. KDA is committed to assisting the KSF and putting more funding options on the table. We encourage the chair to form a subcommittee to look at these options to ensure that the best long-term funding solution is found.

The following table is an estimate of sales tax revenues generated on the fairgrounds. Businesses that have a location both on the fairgrounds and within the city of Hutchison are not required to differentiate between sales taxes generated on or off the fairgrounds when remitting payment to the Department of Revenue; therefore, these numbers are estimates. Another possible option is charging an additional 2 percent sales tax on all sales on the fairgrounds, which could conservatively generate an estimated \$300,000 annually and still allow the KSF to contribute fully to state and local entities.

2017 KSF Sales Tax Generation		
Sales Tax Source	Amount	Actual/Estimate
Grandstand & Gate	\$136,612	Actual
Grandstand Merchandise	\$3,220	Actual
Midway/Carnival	\$79,838	Estimate
Food, Alcohol and Miscellaneous	\$190,508	Estimate
Total	\$410,178	
<i>2% Additional Tax</i>	\$300,000	Estimate

KDA realizes how important the KSF is to the agricultural industry and the state economy, and we are fully committed to making the fair the best in the nation. Therefore, we want to ensure that all viable options remain on the table that might otherwise be lost if this legislation were to pass as written.

Thank you for the opportunity to speak with you today. I will stand for questions at the appropriate time.