

## MINUTES OF THE HOUSE ECONOMIC DEVELOPMENT AND TOURISM COMMITTEE

The meeting was called to order by Chairman Lana Gordon at 3:30 P.M. on March 24, 2008 in Room 519-S of the Capitol.

All members were present except:

Broderick Henderson- excused

Judy Morrison- excused

Committee staff present:

Kathie Sparks, Kansas Legislative Research Department

Ryan Hoffman, Kansas Legislative Research Department

Jason Long, Office of the Revisor of Statutes

Matt Todd, Office of the Revisor of Statutes

Ann Deitcher, Committee Assistant

Conferees appearing before the committee:

Senator Nick Jordan

Dick Carter, Jr., Exec. Director, Travel Industry Assoc. Of Kansas

Cindy Cash, KC, Ks Area Chamber of Commerce

Jim Zaleski, City of Parsons/Labetty County Tourism

Marci Penner, Kansas Sampler Foundation

John Lay, George Lay Signs

Richard Forester, Visit Topeka, Inc.

Linda Craghead, Flint Hills Tourism Coalition

Jerry Cook, Overland Park CVB

Barbara Nelson, Strecker-Nelson Art Gallery

Stephen Koranda, Stephen Koranda & Assoc.

LeAnn Cox, Hutchinson CVB

Glenda Purkis, Abilene CVB

Joan Wagnon, Secretary of Revenue

David Kerr, Secretary of Commerce

**Substitute for SB 501 - establishing the Kansas Tourism Corporation (KTC) as an independent government agency similar to the Kansas Bioscience Authority or the Kansas Turnpike Authority.**

The Chair introduced Jason Long, who offered a briefing of Substitute for Senate Bill 501. (Attachment 1).

Questions and answers followed.

Senator Jordan addressed the Committee next as a proponent of **Sub SB 501**. (No written testimony was provided.).

Testifying in favor of **Sub SB 501**, Dick Carter presented what he called the final work product of the Kansas Tourism Initiative task force. He also offered recommendations saying they would shape the way tourism promotion and development is approached in the future. (Attachment 2).

Questions and answers followed.

Appearing next in support of **Sub SB 501**, Cindy Cash said that her organization has seen first hand the effects of a successful tourism industry in Wyandotte County. (Attachment 3).

## CONTINUATION SHEET

MINUTES OF THE House Economic Development and Tourism Committee at 3:30 P.M. on March 24, 2008 in Room 519-S of the Capitol.

Ms. Cash said she believed the time had come for the state of Kansas for a separate Tourism entity to position and give our tourism industry the best chance to grow. In that growth she saw the creation of more business and prosperity for the entire state.

In addressing the Committee in support of **Sub SB 501**, Jim Zaleski said he knew they understood the workings of how the new Kansas Tourism Corporation would be funded but he felt it was worth repeating that the new funds allocated in this legislation are based on growth. ([Attachment 4](#)).

Mr. Zaleski said that the growth of the tourism industry itself would provide the additional funds of that same industry.

Marci Penner spoke to the Committee regarding **Sub SB 501**. She said the mission of her organization was to preserve and sustain rural culture. ([Attachment 5](#)).

She spoke of the small towns and how some of the most unique attractions are found there. She referred to these small town experiences as Explorer Tourism.

Next on the agenda was John Lay who spoke in support of **Sub SB 501** and said the big part about the bill that he was attracted to was the organizational piece. ([Attachment 6](#)).

Mr. Lay felt this proposal would provide for hiring an industry professional to head the division – hopefully free from the political winds that have prevailed for the last 25 years – and provide for the much needed continuity of leadership that has never been able to take place under the current structure.

Appearing next as a proponent of **Sub SB 501**, Richard Forester said that the tourism industry in Kansas had invested money, time and effort to produce the key to better more lucrative results. The key was the Kansas Tourism Initiative. ([Attachment 7](#)). He went on to say that as an industry, they were asking that the legislature join them in supporting it.

Speaking in support of **Sub SB 501**, Linda Craghead asked why Kansas was such a “secret”. She pointed out that Kansas’ Tourism marketing and promotion budget ranked 48<sup>th</sup> in the nation and she wondered if it was because the state didn’t have the money to promote it, or if it was really because they didn’t consider tourism to be a priority. ([Attachment 8](#)).

Gerald Cook addressed the Committee in support of **Sub SB 501**, and the creation of a new statewide tourism organization, “Visit Kansas”, an initiative that will provide operational enhancements, positively supporting travel/tourism strategies throughout the state. ([Attachment 9](#)).

Mr. Cook said that he believed Visit Kansas provided the best opportunity to invest our state’s resources wisely and most effectively.

Barbara Nelson appeared as a proponent of **Sub SB 501**, saying that she saw potential for the Kansas Tourism Initiative, as an opportunity for the Kansas tourism industry to promote Kansas in an integrated manner, to potential tourists – whether passing through, Kansans traveling in their own home state, or coming to Kansas as a destination. ([Attachment 10](#)).

## CONTINUATION SHEET

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Speaking in favor of **Sub SB 501**, Stephen Koranda reminded the Committee that the tourism economy was the support of the tourism industry. (Attachment 11). He said that the proposal by the Kansas Tourism Initiative was not a proposal to assist merely the hotels and the restaurants and the museums, it was to grow the tourism economy. The proposal was to grow the Kansas economy.

Leann Cox told the Committee that her organization was asking to be allowed the opportunity to improve the economy of Kansas and its communities by doing what they do best. (Attachment 12).

Appearing as a proponent of **Sub SB 501**, she said that through this performance-based plan, the Kansas Tourism Initiative allowed a structure and the resources to capture more visitor spending in Kansas.

Speaking to the Committee in support of **Sub SB 501**, Glenda Purkis said that over the past 38 years of her involvement in the travel industry, Kansas had not shown a major improvement in rankings with other states. (Attachment 13). She said that they remain too close to the bottom and yet, the travel industry was a \$5.6 billion industry in the state.

Ms. Purkis asked the Committee to just think what the return on investment would be if the Kansas Legislature increased the current \$4 million tourism budget.

Questions and answers followed.

Next on the agenda was Secretary David Kerr who said that since the real issue was the lack of funding and not the lack of priority by existing agencies, the Committee should consider moving forward with the incremental funding but utilizing the efficiencies of the existing Travel and Tourism organization. (Attachment 14).

Secretary Kerr said that such action would insure that existing support resources, including human resources, fiscal planning, building operations, information technology and marketing and communications would be leveraged and not duplicated. He said that he clearly supported the intent of **Sub SB 501** in demonstrating the importance of the industry by identifying and committing much needed incremental funding for this sector of the economy, but suggested the Committee consider a more cost-effective and efficient alternative for managing the new funding mechanism and travel and tourism initiatives.

Questions and answers followed.

Secretary Joan Wagon addressed the Committee next, voicing some of her department's concerns with **Sub SN 501**. (Attachment 15). She reminded them that the state sales tax was a vital funding source for the State General Fund and the Highway Fund. Saying that state sales tax receipts had been essentially flat for the past several years – particularly when inflation is taken into account, she felt that for that reason, any significant reduction of that funding source must be considered carefully.

Secretary Wagon told the Committee that her Department strongly recommended that the bill be amended so that revenue transferred to the fund would be 50% of the annual growth in tourism-related sales tax measured from the immediate prior year – not the base year 2007.

Questions and answers followed.

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Written only testimony was offered by: Sylvia Rice, Visit Salina, ([Attachment 16](#)); Craig Hull, Crawford County CVB, ([Attachment 17](#)); Anna Methvin, Southeast Kansas Tourism, ([Attachment 18](#)); Kerry Green, Kansas City Ks - Wyandotte County, CVB, ([Attachment 19](#)); Charles Reaser, KS Assoc. RV Parks & Campgrounds, ([Attachment 20](#)); Chanute Area C of C & Office of Tourism, ([Attachment 21](#)); Kathy Tolbert, Rolling Hills Wildlife, ([Attachment 22](#)); Gloria J. Moore, Washing County Tourism Dir., ([Attachment 23](#)); Mary Arlington, High Plains Camping, ([Attachment 24](#)); Jana Jordan, Hays Convention & Visitors Bureau, ([Attachment 25](#)); Mike Taylor, Unified Gov. Public Relations, ([Attachment 26](#)); Katie Casper, Ft. Scott Area C of C, ([Attachment 27](#)); Karen Hibbard, Manhattan CVB, ([Attachment 28](#)); Jeff Peterson/Cindi Smith, Manhattan CVB, ([Attachment 29](#)); Karen Crane, Meriam Visitors Bureau, ([Attachment 30](#)); Donna Price, Northwest Kansas Travel, ([Attachment 31](#)); Roger Hrabe, Northwest Kansas Travel Council, ([Attachment 32](#)); Kirsten Stotts, Coffeyville CVB, ([Attachment 33](#)); Connie Hachenberg, Leavenworth CVB, ([Attachment 34](#)); Susan Henderson, Lawrence CVB, ([Attachment 35](#)); Kristi Lee, Franklin County CVB, ([Attachment 36](#)); Jan Stevens, Dodge City, CVB, ([Attachment 37](#)); Suzan Barnes, Grand Central Hotel, ([Attachment 38](#)); Christopher Orwell, Cosmosphere, ([Attachment 39](#)); Lynette Hitty, Ks Underground Salt Museum, Hutchinson, ([Attachment 40](#)); Mary Hemmings, Hutchinson's CVB, ([Attachment 41](#)); Jill Leslie-Mikuramatsu, Catalyst, ([Attachment 42](#)); Susan Howell, Kansas Traveler, ([Attachment 43](#)); Nita Jones, Yellow Brick Road Visitor Center, ([Attachment 44](#)); Kim Legleiter, Stauth Memorial Museum, ([Attachment 45](#)); Lara Brehm, Boot Hill Museum, Inc., ([Attachment 46](#)); John Rolfe, Greater Wichita CVB, ([Attachment 47](#)); Connie Kimsey, Arkansas City CVB, ([Attachment 48](#)); Robert L. Cole, Flint Hills Tourism Coalition, ([Attachment 49](#)); Carla Barber, Kansas Museums Assoc., ([Attachment 50](#)); Sally Webb, Atchison Area C of C., ([Attachment 51](#)); Kathleen Olsen, KBA, ([Attachment 52](#)); Marlee Carpenter, Kansas Chamber, ([Attachment 53](#)) and Bridgette Jobe, Kansas City Kansas - Wyandotte County CVB, ([Attachment 54](#)).

The meeting was adjourned at 5:50 p.m. The next meeting is scheduled for Tuesday, March 25, 2008.