#### MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairperson Nick Jordan at 8:30 A.M. on February 7, 2008 in Room 123-S of the Capitol.

All members were present except:

Susan Wagle- excused

#### Committee staff present:

Jennifer Thierer, Kansas Legislative Research Department Dennis Hodgins, Kansas Legislative Research Department Jason Long, Revisor of Statutes Jackie Lunn, Committee Assistant

#### Conferees appearing before the committee:

Marlee Carpenter, KCCI Senator Julia Lynn Dick Carter, TIAK Judy billings, Lawrence Convention and Visitors Bureau Glenda Purkis, Abilene Convention and Visitors Bureau Secretary Joan Wagnon, Department of Revenue

#### Others attending:

See attached list.

To read testimony submitted by conferees go to http://skyways.lib.ks.us/government/KansasSenateCommerceCommittee.

#### **SB 501**-- Establishment of the Kansas Tourism Corporation

Chairperson Jordan introduced Senator Julia Lynn to request a bill introduction. Senator Lynn stated she was requesting a bill with the intent to amend rule and reg in KSA 77415 and it adds a definition of small employer to the rules and regs. Senator Lynn presented written copy of her request. (<u>Attachment 1</u>)

#### Senator Brownlee moved to introduce the bill. Senator Emler seconded. Motion carried.

Senator Lynn stated she would like to ask for another bill introduction regarding tax credits.

#### Senator Kelly moved to introduce the bill. Senator Brownlee seconded. Motion carried.

Chairperson Jordan recognized Senator Brownlee to request a bill introduction. Senator Brownlee requested a conceptual committee bill to address the issue of immigration as it relates to employers. She stated that the Department of Labor would have sole responsibility for 42A and 42B workers.

#### Senator Brownlee moved to introduce the bill. Senator Emler seconded. Motion carried.

Chairperson Jordan recognized Senator Kelly to request the introduction of a bill. Senator Kelly stated she would like to introduce a bill that would be a clean-up on the bill from last year regarding victims of domestic violence and time off work. She stated this is simply a technical clean-up.

#### Senator Emler moved to introduce the bill. Senator Reitz seconded. Motion carried.

Chairperson Jordan recognized Marlee Carpenter representing KCCI to request a bill introduction. Ms. Carpenter requested a bill regarding tax credits, clarifying the treatment of certain credits by corporations in a unitary group. Ms. Carpenter presented written copy of her request. (Attachment 2)

#### Senator Brownlee moved to introduce the bill. Senator Teichman seconded. Motion carried.

#### **CONTINUATION SHEET**

MINUTES OF THE Senate Commerce Committee at 8:30 A.M. on February 7, 2008 in Room 123-S of the Capitol.

Upon the conclusion of the request for bill introductions, Chairperson Jordan opened the hearing on <u>SB 501</u> stating a joint informational hearing with the House Economic Development & Tourism took place last week. The Chair then introduced Dick Carter representing TIAK to give his testimony as a proponent of bill.

Mr. Carter presented written testimony (Attachment 3) which can be found in its entirety on the link listed on page 1 of these minutes. Mr. Carter called the Committee's attention to the last page of his testimony which addressed questions raised by Senator Barone in the joint informational hearing held last week on this bill. He also called their attention to a petition for support of **SB 501**. (Attachment 4) Upon the conclusion of Mr. Carter's testimony there were questions from the Committee regarding the funding.

Chairperson Jordan introduced Judy Billings representing the Lawrence CVB to give her testimony as a proponent of <u>SB 501</u>. Ms. Billings presented written testimony (Attachment 5) which can be found in its entirety on the link show on page 1 of these minutes.

Upon the conclusion of Ms. Billings testimony Chairperson Jordan introduced Glenda Purkis representing Abilene CVB to give her testimony as a proponent of <u>SB 501</u>. Ms. Purkis presented written testimony (<u>Attachment 6</u>) which can be found in its entirety on the link listed on page 1 of these minutes. Upon the conclusion of Ms. Purkis' testimony there were questions from the Committee regarding the closing of the Eastern Visitors Center. It was noted that staff would ask the Department of Commerce to respond to the reason why the visitors center closed.

Upon the conclusion of questions, Chairperson Jordan asked if anyone else would like to testify as proponent of **SB 501.** With no further proponents to testify, Chairperson Jordan called the Committee's attention to "written only" testimony of proponents of the bill which are listed below and can be found in their entirety on the link shown on page 1 of these minutes.

Marlee Carpenter, KCCI (Attachment 7)

Kathy Olsen, KBA (Attachment 8)

Janet Wright, Wichita Festival, Inc. (Attachment 9)

Christi Lee, Franklin County (Attachment 10)

Kathy Tolbert, Rolling Hills (Attachment 11)

Gloria Moore, Washington County Tourism (Attachment 12)

Sally Fuller, Wild West Country (Attachment 13)

Kristen Stotts, Coffeyville Chamber (Attachment 14)

Karen Hibbard, Manhattan CVB (Attachment 15)

Scott Nichols, Grant County Chamber (Attachment 16)

Lynn Peterson, Memorial Art Co., Inc. (Attachment 17)

Terry Tietjens, Seelye Mansion (Attachment 18)

Miscellaneous letters from the following: (Attachment 19)

Mack Teasley, The Eisenhower Foundation

John Zutavern, Abilene Resident

Mary Jane Oard, Manager, Abilene & Smoky Valley Railroad Association

Maria Evangelina Henry, owner, The Historic Kirby House Restaurant

Pat Murphy, American Indian Art Center, LC

Kevin Harris, Central Kansas Free Fair Association, Inc.

Deb & Tim Sanders, Windmill Inn

Chairperson Jordan thanked, not only the tourism people in attendance, but the Chambers of Commerce and the Bankers Association for their support of this proposal and then introduced Secretary Joan Wagnon, Department of Revenue to give her testimony as an opponent of <u>SB 501</u>. Secretary Wagnon presented written testimony (Attachment 20) which can be found in its entirety on the link on page 1 of these minutes.

Upon the conclusion of Secretary Wagnon's testimony there was discussion regarding funding. Chairperson Jordan asked if Mr. Carter could meet with Secretary Wagnon and try to resolve her concerns regarding the funding.

#### CONTINUATION SHEET

MINUTES OF THE Senate Commerce Committee at 8:30 A.M. on February 7, 2008 in Room 123-S of the Capitol.

Chairperson Jordan called the Committee's attention to the "written only" testimony from the Department of Commerce (Attachment 21) which can be found in its entirety on the link listed on page 1 of these minutes and closed the hearing on **SB 501.** 

Chairperson Jordan adjourned the meeting at 9:30 a.m. with the next meeting scheduled at 8:30 a.m. in room 123S.

## **Senate Commerce Committee**

Date: February 7, 2008

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STATE CAPITOL—402-S TOPEKA, KANSAS 66612 (785) 296-7382 IN SESSION: lynn@senate.state.ks.us

INTERIM INFORMATION: 18837 W. 115TH TERR. OLATHE, KANSAS 66061



COMMITTEE ASSIGNMENTS

JUDICIARY
FEDERAL AND STATE AFFAIRS
ELECTIONS AND LOCAL GOVERNMENT
VICE-CHAIR, CHILDREN'S ISSUES (JOINT)
SENATE PRESIDENT'S TASK FORCE
ON HEALTHCARE

#### Introduction of Regulatory Fairness Act Senator Julia Lynn

Intent is to amend KSA 77-415 Chapter 77, Rules and Regs Article 44:

- 1. To define small employer
- 2. To provide economic impact statement specific to small business.

#### Introduction of Economic Stimulus Act Senator Julia Lynn

- 1. Refundable tax credits for a packaging manufacturer located in DeSoto, KS
- 2. Company is creating \$50 million investment in new equipment, \$60 mill investment in 300,000 sq ft bldg on 40 acre site, 150 employees, ground breaking in 2009, operational in 2010-2011. Estimated payroll \$7.5 mill, multiplier effect on sales and income taxes. Largest employer in DeSoto. Possible expansion to Alabama.
- 3. \$1.2 million tax credits over 5 years, no greater than \$6 million, starting in FY 09.

Senate Comme	rce Committee
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A	. \ .
Attachment	1-1

An Act relating to taxation; clarifying the treatment of certain credits by corporations in a unitary group; amending K.S.A. 79-32,141 and repealing the existing section.

Section 1. K.S.A. 79-32,141 is hereby amended to read as follows:

79-32,141: (a) The director may allocate gross income, deductions, credits, or allowances between two or more organizations, trades or businesses (whether or not incorporated, or organized in the United States or affiliated) owned or controlled directly or indirectly by the same interests, if the director determines such allocation is necessary to prevent evasion of taxes or to clearly reflect income of the organizations, trades or businesses.

(b) Credits claimed under K.S.A. 2007 Supp. 79-32,160a(e), and amendments thereto, by a taxpayer that is a member of a unitary group filing a combined report shall be allowed to be claimed by other members of the group included in such combined report, to the extent the credits exceed the tax imposed by the Kansas income tax act on the Kansas taxable income of such taxpayer first claiming the credit. The provisions of this subsection shall be applicable to (1) any taxpayer that is a member of a unitary group that has filed or will file an original return for tax years commencing prior to January 1, 2008 claiming a credit under K.S.A. 2007 Supp. 79-32,160a(e), and amendments thereto, which credit exceeded the tax imposed by the Kansas income tax act on the Kansas taxable income of the taxpayer in the unitary group first claiming the credit, (2) any taxpayer that is a member of a unitary group that has perfected an appeal in order to sustain such filing position set forth in (2) above, and (3) any taxpayer that is a member of a unitary group for tax years commencing on and after January 1, 2008.

Section 2. K.S.A. 79-32,141 is hereby repealed.

Section 3. This act shall take effect and be in force from and after its publication in the statute book.

Şenate Comm	erce Committee
February	7,2008
1	
Attachment	2-1

Presented by: Marke Corporter KCCI 835 SW Topeka Topeka, KS 66612 185.357.6321



919 South Kansas Avenue Topeka, Kansas 66612 785/233-9465 FAX 785/232-5705 carterjr@cox.net • www.tiak.org

# Testimony to the Senate Commerce Committee By Dick Carter, Jr. Executive Director Travel Industry Association of Kansas February 7, 2008

Committee Chairs Brownlee, Jordan, and members of the Senate Commerce Committee:

My name is Dick Carter, and I serve as the executive director for the Travel Industry Association of Kansas. Today I would like to follow up on several points made at our initial hearing last week when we met jointly with the House Economic Development and Tourism Committee.

Last Thursday eleven different tourism professionals from every corner of this state stood before you and expressed in their own words why the recommendations that make up SB 501 are so important for the future of tourism in Kansas. Although our time was short that day, I hope you took the opportunity to read the twenty additional pieces of written comments that were part of your packet.

Today we will hear from only a couple of seasoned veterans in the industry, but again, you have for your perusal, a dozen or more written testimonies supporting SB 501.

At the last meeting, Sen. Jim Barone requested that we provide the fifty-state breakdown of tourism budgets based on per capita expenditures. Rob Canton, our PWC consultant has provided this data along with a breakdown of the fifty-state tourism marketing budgets using the same methodology. While we cannot draw too many conclusions from this data, we believe it is important to note that the media (print, television, etc.), and developers (events, brick & mortar projects, etc.) do not give different rates or charge less to a community/sate just because they have fewer residents or disparate budgets. It is interesting to point out that these figures for Kansas also fall below the national average when comparing to the fifty states, similar to other comparative models used throughout the Kansas Tourism Initiative report.

I will summarize several important points for your consideration:

- These recommendations have been developing in the industry since the creation of a formal tourism division in 1982. Visit Kansas will empower the state and the industry to better work together to take our message to a new audience...an audience ready and willing to explore all our state has to offer if we just invite them.
- Partnerships It has never been our intent to diminish the great work presently occurring in the division of travel & tourism. Unlike most industries, the relationship between the

industry and the state travel office is more like a fraternity. We depend on each other to work together to get the message out – and to better develop our product. Equipped properly, we believe we could accomplish great results and bring more dollars to the Kansas economy.

- Inclusion this two-year process has involved traveling the state and meeting with industry (and non-industry partners) to develop what you have before you today. This work product represents a unified voice that is a result of folks getting together who have in some cases been on the opposite side of issues around one table to find a solution for elevating the cause of tourism.
- Structure SB 501 would establish the Kansas Tourism Corporation (KTC) to oversee tourism development and promotion.
  - o 13 member board
  - O Quasi (public/private) agency accountable to the Legislature
  - o Flexible, free of bureaucracy, Competitive

Twelve travel directors in twenty-five years does not say much about a consistent "effort and message" to the industry. We have to curtail the revolving door effect, based on ever-changing administrations, for travel directors at the state level. The industry is also concerned that the reorganization of efforts at Commerce further buries the travel & tourism division under a marketing arm – when the intent of the statute was to have the division director report directly to the Secretary (K.S.A 74-5032). That move sends a message to the industry that tourism is now just a "marketing decision."

Tourism as an independent operation is not a new idea or recommendation. In its report to the Legislature in 2006 and 2007, the Joint Committee on Arts & Cultural Resources recommended that a new "Department of Tourism" be established to focus exclusively on tourism in Kansas. The 2007 report went on to say, "The Committee believes that, currently, the Department of Commerce is an agency with multiple duties and facets and more attention would further tourism in Kansas."

We would further submit that the KTC as outlined in SB 501 would have greater legislative oversight of travel and tourism activities than in the present scenario. Legislators would be appointed to the board of directors of the KTC. Regular review by Kansas, Inc., is included in the language in the bill. The Legislature can, at any time, request a Legislative Post Audit of the functions of the KTC.

- Funding Stream Recommendations for a dedicated mix of funding streams to support tourism efforts are being viewed by experts in other states as, "some of the most innovative and creative funding streams" to be discussed in years. Funding is based on industry performance and is broken down into four categories:
  - Current funding to the division would be retained approximately \$4.1 M (FY 08)
  - Growth in NAICS revenue collections, establish 2007 as a base year approximately \$4-5 M

- o Identify a percentage of state gaming revenues approximately \$4-5 M
- Tax credit opportunities to allow businesses to invest in the new organization capped at \$2 M (total receipts)

Recently the press reported a reduction in the division of travel & tourism budget for FY 2009. We understand that reorganization and re-allocations have occurred at the Department of Commerce to support a more robust marketing effort to attract business development as well as tourism promotion.

That is a tough sell to the industry – we've heard it for 20 plus years. What's worse is that when we receive reports on the 50 state tourism budget figures next year, Kansas will rank even lower, based on the FY 2009 recommended amount that is part of the budget recommendations. Other states are investing in their tourism offices at significant levels; Kansas continues to fall further behind.

At the outset of this initiative, which began nearly two years ago, it was our goal to communicate openly – and with open minds. We did not make assumptions, nor did we limit our imaginations to the results that ultimately define SB 501.

As part of our effort to keep everyone "in the loop" with respect to our plans and intentions, I, along with others in the industry, traveled the state seeking input, speaking to civic groups, chamber meetings, annual association conferences, and more. I began meeting with staff at the Kansas Department of Revenue as early as September of 2007 to inform them of our initial findings regarding KTC funding stream recommendations. I continued those meetings in late September and October with the Governor's Staff, as well as Kansas Department of Commerce Secretary David Kerr.

As you well know, change can be difficult and certainly this change is not without its challenges. We prefer to view them as opportunities...opportunities to rethink the way we attract travelers to this state. Opportunities to grow the Kansas economy by making a simple investment in a product that research and experience shows will, if managed properly, return multiple times what we put into it. Opportunities to become a leader in the nation – other states are watching what we are doing with respect to the tourism initiative right now. The time for change is now.

Finally, I would like to leave with you a list of about 200 people who have signed an electronic petition, registering their support for the tourism initiative that is now SB 501. Is it scientific? No. Did we check drivers' licenses before people signed up? No. Is it inclusive of everyone who supports the initiative? Probably not. We do believe, however, that people who made the effort to show their support by registering their name represent a much larger voice — a voice from a multi-faceted industry that has come together for the first time in 25 years to recommend a long-term, consistent, professional, and accountable solution to take tourism to the next level — and bring more dollars to Kansas...and Kansans.

We respectfully request your support for the favorable passage of SB 501.

2006-2007 Projected State Tourism Office Budgets by Rank

	Jul-2007	FY 2006-2007	Tourism Budget
		Tourism Budget	Per Capita
personate recoverant second and secure se		\$70,700,000	\$55.09
ı		\$10,744,264	\$20.55
·		\$12,664,562	\$18.53
akota		\$9,367,472	\$11.77
1		\$9,525,413	\$9.94
··		\$4,536,011	\$7.30
		\$13,937,300	\$7.08
		\$16,481,700	\$6.23
		\$15,040,008	\$5.86
1	1,317,207	\$7,554,190	\$5.74
s		\$14,805,353	\$5.22
PAGE 1915		\$64,732,000	\$5.21
		\$6,864,438	\$4.58
akota	639,715	\$2,919,515	\$4.56
		\$22,173,832	\$4.56
~		\$18,958,639	\$4.42
500 <sub>11</sub>		\$7,868,004	\$4.34
		\$18,786,826	\$4.26
		\$5,435,997	\$4.13
1		\$48,957,900	\$3.81
v		\$15,830,500	\$3.73
		\$6,268,714	\$3.53
_		\$20,669,758	\$3.26
iac		\$8,946,188	\$3.07
		\$17,767,811	\$3.02
· · · · · · · · · · · · · · · · · · ·	N 9/ 1	\$18,219,600	\$2.96
88 0		\$10,592,889	\$2.93
		\$14,973,300	\$2.67
		\$20,390,579	\$2.64
e l	864,764	\$2,200,000	\$2.54
	3,747,455	\$9,311,960	\$2.48
d l	5,618,344	\$13,057,151	\$2.32
		\$10,441,580	\$2.26
11	5,197,621	\$10,524,584	\$2.02
Comment Commen	3,502,309	\$6,409,726	\$1.83
	18,251,243	\$33,066,588	\$1.81
arolina	9,061,032	\$14,597,000	\$1.61
Committee of the contract of t	2,775,997	\$4,453,447	\$1.60
NAME AND ADDRESS OF TAXABLE PARTY.	10,071,822		\$1.55
**************************************	1,057,832		\$1.48
	6,449,755	\$9,100,002	\$1.41
	8,685,920		\$1.39
	23,904,380		\$1.22
	9,544,750	\$11,482,467	\$1.20
	2,988,046		\$1.19
rk	19,297,729	\$19,270,000	\$1.00
	36,553,215		\$0.79
A D 1700	6,345,289		\$0.69
	11,466,917	\$6,712,845	\$0.59
gton	6,468,424	\$3,674,931	\$0.57
	g akota a i i i i i i i i i i i i i i i i i i	Population  1,283,388 522,830 683,478 akota 796,214 957,861 621,254 xico 1,969,915 2,645,330 2,565,382 1,317,207 s vania 12,432,792 1,499,402 akota 639,715 o 4,861,515 aa 4,293,204 rginia 1,812,035 arolina 4,407,709 mpshire 1,315,828 12,852,548 4,241,474 xa 1,774,571 6,338,755 ppi 2,918,785 i 5,878,415 see 6,156,719 na 3,617,316 sin 5,601,640 7,712,091 re 864,764 3,747,455 dd 4,627,851 5,618,344 a 4,627,851 cota 5,197,621 dd 5,618,344 a 4,627,851 cota 6,449,755 ree 8,685,920 23,904,380 9,544,750 2,988,046 19,297,729 do not in 1,057,832 6,449,755 rsey 8,685,920 23,904,380 9,544,750 2,988,046 19,297,729 do not in 1,466,917	Population

Average \$5.05

Sources: Travel Industry Association and U.S. Census Bureau

2006-2007 Projected State Marketing Budgets by Rank

Ranking	State	Jul-2007 Population	FY 2006-2007 Marketing Budget	Marketing Budget Per Capita
1	Wyoming	522,830	\$6,675,594	\$12.77
2	Hawaii	1,283,388	\$15,693,998	\$12.23
3	Alaska	683,478	\$7,286,354	\$10.66
4	South Dakota	796,214	\$6,339,000	\$7.96
5	Utah	2,645,330	\$12,540,700	\$4.74
6	Montana	957,861	\$3,942,981	\$4.12
7	Vermont	621,254	\$2,493,616	\$4.01
8	Arkansas	2,834,797	\$8,659,871	\$3.05
9	Colorado	4,861,515	\$14,688,485	\$3.02
10	Maine	1,317,207	\$3,860,684	\$2.93
11	New Hampshire	1,315,828	\$3,614,550	\$2.75
12	North Dakota	639,715	\$1,637,423	\$2.56
13	Nevada	2,565,382	\$6,045,644	\$2.36
14	Missouri	5,878,415	\$12,967,511	\$2.21
15	South Carolina	4,407,709	\$8,686,452	\$1.97
16	West Virginia	1,812,035	\$3,508,346	\$1.94
17	Louisiana	4,293,204	\$8,026,433	\$1.87
18	Arizona	6,338,755	\$11,364,031	\$1.79
19	New Mexico	1,969,915	\$2,924,580	\$1.48
20	Idaho	1,499,402	\$2,143,500	\$1.43
21	Oklahoma	3,617,316	\$4,588,415	\$1.27
22	Tennessee	6,156,719	\$7,534,000	\$1.22
23	Wisconsin	5,601,640	\$6,467,728	\$1.15
24	Michigan	10,071,822	\$10,742,625	\$1.07
25	Oregon	3,747,455	\$3,765,000	\$1.00
26	New Jersey	8,685,920	\$8,695,482	\$1.00
27	Delaware	864,764	\$821,000	\$0.95
28	Florida	18,251,243	\$16,916,164	\$0.93
29	Minnesota	5,197,621	\$4,810,400	\$0.93
30	Maryland	5,618,344	\$4,894,152	\$0.87
31	Virginia	7,712,091	\$6,711,081	\$0.87
32	Illinois	12,852,548	\$10,524,486	\$0.82
33	Mississippi	2,918,785	\$2,384,363	\$0.82
34	North Carolina	9,061,032	\$7,178,000	\$0.79
35	Pennsylvania	12,432,792	\$9,407,000	\$0.76
36	Connecticut	3,502,309	\$2,548,000	\$0.73
37	Massachusetts	6,449,755	\$4,489,641	\$0.70
38	Nebraska	1,774,571	\$1,220,000	\$0.69
39	Rhode Island	1,057,832	\$725,000	\$0.69
40	Alabama	4,627,851	\$3,075,000	\$0.66
41	Texas	23,904,380	\$15,158,319	\$0.63
42	Georgia	9,544,750		\$0.62
43	California	36,553,215		\$0.58
44	New York	19,297,729		\$0.47
45	lowa	2,988,046		\$0.41
46	Kansas	2,775,997	\$1,093,949	\$0.39
47	Kentucky	4,241,474	\$1,353,000	\$0.32
48	Ohio	11,466,917	\$3,440,000	\$0.30
49	Washington	6,468,424		\$0.22
50	Indiana	6,345,289	\$1,156,063	\$0.18

Average \$2.16

Sources: Travel Industry Association and U.S. Census Bureau



Sign the Petition

Click here to see who else has signed up

Click here for KTI Information

Please complete and submit the form below today.

"Today is the Day to Fight for Our Kansas Tourism Initiative"

Sign up for the KTI mailing list The Kansas Tourism Initiative (KTI) Task Force and the Tourism Industry Association of Kansas (TIAK) need your support. This petition records your official endorsement of the KTI's VISIT KANS legislative proposal, being formally introduced in the Kansas Legislature in January 2008.

Please take a moment to complete the information below and click here to record your endorsement. Please respond today! Your endorsements will be compiled as a show of support to the Kansas Legislature.

We will be capturing your email address to update you on all KTI activities and legislative updates fc VISIT KANSAS. If you would like to demonstrate your support by signing and returning this petition but do not wish to receive email updates, please click here.

If you have questions concerning VISIT KANSAS, please contact Dick Carter, 785-233-9465 or carterjr@cox.net.

☐ Yes, I am officially endorsing VISIT KANSAS, the new tourism independent organization being introduced by the KTI in January 2008.

*First Name :		The state of the s
*Last Name : [		
* Email Address : [		
Company:		
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*County:		
State/Province: F	Kansas Residents Only	
Zip/Postal :		
Phone:	S	enate Commerce Committee
Fax:		reducing 1, 2000
•	Submit Reset	Attachment 4-1

### **Members of Signed Petition:**

- 1. <u>Abbott, Phyllis -- baxter Springs Heritage Center and Museum -- heritagectr@embarqmail.com</u>
- 2. <u>Altenbernd, Kerry -- Black Jack Battlefield Trust, Inc. -- kaltenbernd@blackjackbattlefield.org</u>
- 3. Anderson, Pete -- Retired (In travel 35 years) -- peteinoz@sunflower.com
- 4. <u>Anno, Patricia -- Candlewood Suites -Topeka, Kansas -- annopatricia@yahoo.com</u>
- 5. Ashby, Deb -- Americinn -- atchison.ks@americinn.com
- 6. <u>Atteberry, Pam -- Travel Center of Atchison --</u> pam@travelcenterofatchison.com
- 7. Ayala, Kelly -- Two Brothers LLC -- gm.ks061@choicehotels.com
- 8. Ayres, Carol -- Leavenworth Public School District -- ayresc@lvksch.org
- 9. Bahnmaier, Paul -- Lecompton Historical Society -- lanemuseum@aol.com
- 10. <u>Baker, Susan -- -- baldwinchamber@embarqmail.com</u>
- 11. <u>Bansemer, Charisse -- Grand Prairie Hotel & Convention Center -- rease79@hotmail.com</u>
- 12. Barnes, Suzan -- Grand Central Hotel LLC -- suzan.barnes@sbcglobal.net
- 13. <u>Barstow, Erik -- Overland Park Convention & Visitors Bureau -- ebarstow@opcvb.org</u>
- 14. Bean, Janet -- Oakley Area Tourism -- tourism@DiscoverOakley.com
- 15. Bell, Mike -- Holiday Inn -- mikebell@topekaholidome.com
- 16. Bell, Richard -- -- bellville2@aol.com
- 17. <u>Benien, Tiffany -- Visit Salina & Salina Area Chamber of Commerce -- tbenien@salinakansas.org</u>
- 18. Billings, Judy -- -- director@visitlawrence.com
- 19. Bitner, Phyllis -- Scotty's Classic Car Museum -- memrylane@yahoo.com
- 20. Blake, Tammy -- Residence Inn by Marriott -- topekari@tharaldson.com
- 21. Bolan, Joshua -- Schreck Financial Group -- bolan.joshua@pmlmail.com
- 22. Branch, Linda -- Courtyard Gallery -- art@courtyardgallery.com
- 23. Briden, Linda -- Visit Topeka Inc. -- linda@visittopeka.travel
- 24. <u>Brinegar, Brandi -- Pottawatomie County Economic Development -- brandi@ecodevo.com</u>
- 25. BUTLER, BARBARA -- TRAVEL CENTER OF ATCHISON -- BARBARA@TRAVELCENTEROFATCHISON.COM
- 26. Butler, Elizabeth -- OPCVB -- bbutler@opcvb.org
- 27. <u>Callaway</u>, <u>Jennifer -- El Dorado Convention and Visitors Bureau -- jcallaway@eldorado-inc.com</u>
- 28. Carmichael, Bob -- Perkins Restaurant & Bakery -- bcarmichael@cox.net
- 29. Carter, Dick -- Travel Industry Association of Kansas -- carterir@cox.net
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210 total members.

Statement to Senate Committee on Commerce
In support of SB 501
February 7, 2008
Judy Billings, President & CEO
Destination Management, Inc.
Lawrence, Kansas

Committee Chairs Brownlee and Jordan, and members of the Senate Committee on Commerce. I am pleased to be here today in support of SB 501, a bill that I believe will positively impact the economy of our communities and our state.

I'm here today to boast a little on the progress being made with Freedom's Frontier National Heritage Area and to let you know that Visit Kansas will play an important role in the development of this federally recognized area. Since the President signed legislation determining our national status, this grassroots group of individuals and organizations representing rural and urban/ Kansas and Missouri interests, has been working toward creating a required planning document that will guide us through the next 10-15 years. Our goal is to better interpret and connect our shared heritage so that visitors and school children will have a richer experience. VISIT KANSAS would provide product development resources that could help leverage the federal dollars that will become available upon completion of this plan.

I have been employed by the Lawrence Convention & Visitors Bureau (LCVB) since its inception in 1980. Our bureau has recently experienced the same type of reorganization being proposed to you for the state tourism office, i.e. we have separated from our umbrella organization the Lawrence Chamber of Commerce after 28 years. With the support of the Chamber and both our city and county commissions, we made this move in order to have more flexibility to promote tourism in Lawrence and Douglas County. Our mission is to focus fiscal resources on heritage and cultural assets in a more effective and collaborative manner.

We have formed a new 501c6 organization called Destination Management, Inc. that oversees the operations of the LCVB, Freedom's Frontier and other tourism related activities in our community. While the Lawrence Chamber of Commerce has been an excellent home for the LCVB, its focus is on

Senate Commerce Committee
February 7, 2008

Attachment 5-1

traditional economic development. I believe it is true, particularly in Kansas, that a new resident and business owner is first a visitor. But marketing to the visitor industry and developing the visitor product employs a different message and focuses on entirely different target markets than does traditional economic development marketing.

The Lawrence CVB has actively partnered with our state tourism office and with many dedicated Kansans over the years who promote our state with all our heart and soul. We have worked with the department of commerce and the legislature unsuccessfully to date to bring our tourism budget in line with our neighboring states. I believe the KTI is by far the most complete proposal to come before this body. KTI proposes more investment in product development and marketing along with more accountability for the dollars invested. I believe that the tourism industry offers a return on investment that few other industries do and that this organizational structure is a way to maximize that investment.

Let's raise our expectations for Kansas. Let's make an investment in an industry that brings new dollars to our state and tells the world that we're a great place to visit...and just maybe to live and do business in, too!

# Testimony to the JOINT COMMITTEE on SENATE COMMERCE and HOUSE ECONOMIC DEVELOPMENT AND TOURISM

February 7, 2008

#### Glenda Purkis, Director Abilene Convention & Visitors Bureau

Ladies and gentlemen, thank you for opportunity to address you today. My name is Glenda Purkis, and I have been involved in the travel industry for 38 years. In 1970, I began my career in Norton, Kansas, and organized the very first Convention & Visitors Bureau in northwest Kansas. From Norton, through Russell and Atchison, to Abilene, I have seen tourism transform the economy of communities.

Whether it's the annual Carp Derby at Sebelius Reservoir, the birthplace of U. S. Senator Bob Dole, a nationally acclaimed retailer (Nell Hills), or one of only twelve US Presidential Libraries, a community must have a good plan and most important, the financial resources to convince travelers to visit us. Communities of all sizes have all stepped up to the plate to do their part in the travel industry of Kansas. It is time tourism is recognized as a major industry of this great state and the Kansas Legislature take measures to help grow this industry.

In 2006, Abilene participated with Kansas Travel and Tourism in the Randall Marketing Study. We learned:

State receives \$1.1 million in sales tax generated from the travel industry in Abilene Dickinson County receives \$315,397 in sales tax

City of Abilene receives \$105,132 in sales tax

The City, County, and State combined receives \$1.7 million is sales tax generated from the travel industry in Abilene. The tax generated also provides a tax relief per household of \$209.

Abilene's return on investment is \$13:\$1, which Randall Marketing said was larger than other communities they evaluated.

Senate Comm	erce Committee
Februar	47,2008
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The Abilene CVB presented this information to city and county commissioners during budget time. We requested, and received a \$40,000 increase in tourism program funding from both entities. Tourism <u>is a major industry in Abilene.</u>

Over the past 38 years of my involvement in the travel industry, Kansas has not shown a major improvement in rankings with other states. We remain too close to the bottom. And yet, the travel industry is a \$5.6 billion industry in this state. Just think what our return on investment would be if the Kansas Legislature increased the current \$4 million tourism budget.

Abilene supports the KTI initiative as presented. We encourage you to pass Senate Bill 501.



#### **Legislative Testimony**

SB 501

February 7, 2008

Testimony before the Kansas Senate Commerce Committee By Marlee Carpenter, Vice President of Government Affairs

Madam Chair and members of the Committee:

I am Marlee Carpenter Vice President of Government Affairs for the Kansas Chamber of Commerce. Thank you for this opportunity to voice our support for the Kansas Tourism Initiative.

The Kansas Chamber along with our local chamber's of commerce support this initiative and its positive impact on the Kansas economy. The Chamber believes that the expansion and elevation of tourism will directly result in increased economic investment and job creation in Kansas. This initiative will directly benefit communities in all parts of the state.

With tourism already a contributor to the Kansas economy, an additional investment can only work to create more jobs and economic activity. In 2004 alone, tourism in Kansas generated \$7.3 billion and created 166,952 of direct and indirect jobs. That same year the federal, state and local governments received \$1.8 billion in revenue from Kansas tourism. The return on investment from this initiative has been estimated at \$260 million in visitor spending for \$5 million in enhanced advertising efforts. The estimated economic value is an increase of \$200 million in tourism spending, \$125 million in increased wages and salaries, 6,000 new jobs and a \$33 million increase in state and local taxes.

Again, the Kansas Chamber and our local chamber's of commerce support this program and expansion of this section or the economy. Thank you for the opportunity to express our support for the Kansas Tourism Initiative.



Kansas Chamber, with headquarters in Topeka, is the leading statewide pro-business advocacy group moving Kansas towards becoming the best state in America to live and work. The Chamber represents small, medium and large employers all across Kansas.

835 SW Topeka Blvd. **Topeka, KS** 66612 785.357.6321

Senate Commerce Committee
February 7, 2008

Attachment 7-1



February 7, 2008

To: Senate Commerce Committee

From: Kathleen Taylor Olsen, Kansas Bankers Association

Re: SB 501: Kansas Tourism Initiative

The Kansas Bankers Association appreciates the opportunity to present written testimony in support of the Kansas Tourism Initiative (KTI). The KBA was asked in 2006, to be present at meeings where the idea of KTI was being discussed. We believed then, as we do now, that there is a natural link between enhanced tourism and economic development for our state.

In fact, in January of 2006 the KBA, along with the Community Bankers of Kansas, commissioned a study on the impact of public funds investment in the Kansas economy. The study was performed by Dr. John D. Wong, J.D., Ph.D., a professor in the Hugo Wall School of Urban and Public Affairs at Wichita State University.

Significant in that study, was an analysis of the "rollover effect" of a dollar spent in the Kansas economy, also referred to as the "income multiplier". The study contains an example of an initial expenditure of \$10,000 on goods and services produced in Kansas. Of the \$10,000 income generated by this expenditure, 50% or \$5,000 will be spent on Kansas produced goods and services and 20% or \$2,000 would be spent on goods and services produced elsewhere. The remaining 30% is estimated to be used for federal and state tax payments and saving.

This process is repeated in the next round with the \$5,000 of income resulting from spending on Kansas produced goods and services in the previous round and so on, so that the total gained on the initial \$10,000 will double or will result in \$20,000 in total income accuring to Kansans.

We believe the KTI represents a strategic plan that will expand tourism in Kansas. As the study referred to above indicates, each dollar spent in Kansas has an amazing ability to regenerate income for Kansans and that is good for the economy. The KBA and all of our member banks have a long history of supporting efforts to boost the economy of Kansas and so are excited about this opportunity.

Thank you and we ask your favorable consideration of SB 501.

Senate Commerce Committee
February 7, 2008

Attachment 8-1

# Wichita Festivals, Inc. Wichita, Kansas

#### Dear Senators:

I am writing in support of the Kansas Tourism Initiative currently being considered by your committee. This initiative is the first organized, coordinated approach to tourism for the State of Kansas in many years. The investment in KTI can potentially bring rewards in many areas. with efficiencies in management and increases in tax revenue resulting from enhancements made in the tourism industry and job creation.

The development of an independent organization supporting tourism would provide the opportunity for flexibility and responsiveness to an ever-changing industry. And, with its unique strategic focus only on tourism, an independent organization would not be encumbered as part of a multi-faceted government structure. This freedom would make it possible for Kansas to respond quickly to national trends and unforeseen opportunities leading to enhanced tourism.

As producer of the largest special event in Kansas, the Wichita River Festival, we believe this initiative will have wide-spread, positive affects for our event and region. With all Kansas has to offer in terms of scenic adventures, attractions and events, tourism can become a leading economic producer for our communities and our state. I urge you to give serious consideration to the Kansas Tourism Initiative during this legislative session.

Respectfully,

Janet C. Wright President/CEO

Senate Commerce Committee
February 7, 2008

Attachment 9-1

February 2, 2008

To: Representative Joe Humerickhouse, Senator Pat Apple, Representative Bill Otto, Senator Derek Schmidt, Representative Tom Holland, Representative Bill Feuerborn

From: Franklin County Convention and Visitors Bureau, Ottawa, Kansas

Reference: Kansas Tourism Initiative SB 501

On behalf of the Franklin County Convention and Visitors Bureau I am writing to ask for your support of Bill SB501. Wednesday January 31, 2008 marked the first step in the legislative process for moving the KTI Initiative forward. The next step is scheduled for Thursday February 7<sup>th</sup> 2008, at 8:30 a.m. in room 123-S.

The purpose of this bill is to help improve the economy of Kansas and its communities through tourism by capitalizing on visitor spending. Kansas currently ranks 44<sup>th</sup> in the nation in overall travel & tourism budget comparisons, and 48<sup>th</sup> in actual dollars spent to market and promote tourism for our state. Kansas will likely drop even lower given the budget recommendations for FY 2009, this is unacceptable given the fact that Missouri, Nebraska, Iowa and Oklahoma have all seen significant increases in their state tourism operations over the last few years.

I think this is an important bill for Kansans and it will benefit our communities through local and regional grant opportunities as well as product development for the State at large. Also the research and education component along with a better funding for the marketing and promotion of tourism will help get the word out there that Kansas is a truly wonderful place to live, work, play and visit.

Kansas has a great deal to offer visitors with our wide-open spaces, authentic experiences, agritourism and culture its time to start telling our story and competing with our neighboring states.

Thank you for your support.

Sincerely,

Kristi K. Lee Director

Senate Commerce Committee
February 7, 2008

Attachment 10-1



Written Testimony to the Senate Commerce Committee February 7, 2008 By Kathy Tolbert

As the Director of Rolling Hills Wildlife Adventure, I would like to share my thoughts with you regarding the importance of Senate Bill No. 501, what I believe it means to Kansas tourism and how I believe it will impact the future of attractions such as Rolling Hills Wildlife Adventure.

Having been involved in Kansas tourism for the past 14 years, I have come to appreciate all that Kansas has to offer tourists. Whether visitors are seeking the bustle of a large city, or those quiet moments in rural settings, Kansas offers it all. Yet the budget for Kansas tourism is ranked 44<sup>th</sup> in the nation. Despite the comparatively low budget, tourism is a \$5.6 billion industry for the State.

Kansas tourism has always had the challenge of being considered a "drive-through" state – visitors driving through on their way to Branson or Colorado. Compound that with a limited tourism budget to promote what Kansas has to offer and the lack of continuity in leadership, and it is easy to understand why it is time for a change. As the Kansas Tourism Initiative has developed over the past two years, industry partners have joined hands to create this new plan that thinks outside of the box. The plan offers a new way of thinking for all of us involved in the tourism industry but the changes it presents are exciting.

The creation of Visit Kansas as an independent organization allows a continuity of staffing and long-range goals that have not been available in the past. The proposed governance of Visit Kansas allows a board of directors that is a blend of tourism professionals and appointees by the Governor and the Legislature. The board's oversight, along with the professional staff of Visit Kansas, will work towards making Kansas a tourism destination.

Visit Kansas is not just another slogan, another logo, or another ad campaign. While marketing is a strong component, it is certainly not the only one. Product development, research and education are all strong elements of this plan. If we want to attract visitors to our state, we must continue to offer quality products. We need to be able to determine who our potential visitor is, how we reach them, and how we can influence

February 7, 30

their travel plans to make Kansas, if not their destination, at least a portion of their journey. And it is vital that our tourism professionals receive assistance and education as we move forward.

The 2006-2007 tourism budget was just over \$4.4 million. The proposed budget of Visit Kansas is \$15 million. This amount places Kansas somewhere in the middle of the other 50 states tourism office budgets, rather than 44<sup>th</sup>. A significant portion of these additional funds are performance based and will occur as a direct result of increased visitors to the state. It is understood that reaching this goal will take time, but I believe the more we are able to invest, the greater the return will be on that investment.

There may be some in the tourism industry that argue there is nothing in this plan for them. I believe everyone in the industry stands to gain if this plan is implemented. Rolling Hills Zoo, located in western Saline County, opened its gates in 1999, with the wildlife museum opening in 2005. Between the two entities, Rolling Hills Wildlife Adventure averages approximately 130,000 visitors a year. Our statistics show that 25% of our visitors are from Saline County, 60% from across the state of Kansas, and the remaining 15% are from out-of-state. With our close proximity to both I-70 and I-135, it is my belief that the number of out-of-state visitors is where the most potential for our growth lies. While I do not have access to other Kansas attractions' statistics, I would not find it surprising that most attractions feel their largest growth potential is in out-of-state visitors. With limited budgets within our individual facilities, it is difficult if not impossible to reach those potential visitors. It is my belief that if SB 501 is passed into law and Visit Kansas becomes a reality, we will see out-of-state visitation increase, which in turn brings new dollars into our entities and also into the State's economy. How can this not have a positive impact on all of Kansas?

In closing, I believe this is an exciting time to be a part of Kansas tourism. This initiative has been proposed by a diverse group of individuals, some who are traditional tourism partners, some who are non-traditional. The plan is new and innovative and has united the tourism industry together in an unprecedented way. I believe this is the step we need to take to move Kansas tourism into the future.

Thank you for your time. I appreciate your consideration of SB 501 during the 2008 session.

Kathy Tolbert, Director Rolling Hills Wildlife Adventure

625 N. Hedville Road Salina, Kansas 67401 Phone 785-827-9488 Fax 785-827-3738 Website: www.rollinghillswildlife.com E-mail: info@rollinghillswildlife.com

#### WASHINGTON COUNTY TOURISM

1. "Where Dreams Become Reality"

Courthouse Square

214 "C" Street

Washington, KS 66968

Senate Commerce Committee Hearing on SB 501

February 7, 2008

By

Gloria J. Moore, Tourism Director

President North Central Kansas Tourism Council

Committee Chairs Brownlee and Jordan. Members of the Senate Commerce Committee.

I am the Tourism Director for Washington County. We are members of the North Central Kansas Tourism Council and the Flint Hills Tourism Coalition which encompasses the territory reaching from the Nebraska border to the Oklahoma border Our two tourism groups, as well as the Washington County Commissioners, support the Kansas Tourism Initiative and request your consideration in passing the Kansas Tourism Initiative Legislation.

Our region is just beginning to see an increase in agri-tourism based business. The past few years has seen the establishment of Farmer's Markets, a Pumpkin Patch, and Corn Maze, Alpaca Farm, Buffalo Ranches, and a variety of other agricultural based businesses emerge within our region. The creation of an independent organization would allow for more funding to be available for marketing and promotion, product development, research, and education for Kansas tourism related fields. The region I represent is just beginning to see the advantages of tourism and the long range advantages of an independent organization being able to respond to the ever-changing tourism industry.

Personally, I am not only an employee of Washington County, but also a Bed and Breakfast owner, and serve on the boards of a community operated café, convenience store, and retail store. Without the travelers the small towns, as well as the larger cities, we would not survive. Marketing and promotion is the only way that the traveler will find us. At the present time we cannot compete with our neighboring states. The resources that we have under the present system are managed by the Department of Travel and Tourism as efficiently as possible. The Travel and Tourism Division has always worked very hard to promote Kansas in a cost effective manner, supporting local efforts as funds allow.

The Kansas Tourism Initiative is the first step in boosting the economy of Kansas through expanded tourism opportunities. We are excited about the unlimited possibilities this Initiative can bring to the State of Kansas. Visitors that come to our State or travel within its' borders have

Senate Commerce Committee February 7, 2008	
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Attachment $12-1$	

an authentic experience that can compare to none other.

Thank you in advance for your support of the Kansas Tourism Initiative.

Gloria Moore

Washington County Tourism



2/6/08

Co-Chairs Nick Jordan and Karin Brownlee and members of the Senate Commerce Committee, thank you for the opportunity to express written support of Senate Bill 501.

As the current president of Wild West Country, the 22-county tourism alliance in Southwest Kansas, I would like to express our collective support of forming a Kansas Tourism Organization as outlined in SB 501.

Many of the tourism entities in our counties operate on a "shoe string" budget with mainly volunteer labor. They all realize the importance of what SB 501 is working to accomplish and the benefit to the entire state because they depend on the state's marketing efforts. An increase in those efforts will benefit small, rural museums and attractions with very limited budgets as they cannot afford to do much on their own.

Also, the continuity this plans offers our state will increase the consistency of that message. In my five years as a tourism director in Kansas, I have worked with three different Travel and Tourism Directors. Others, who have been in tourism far longer than I, have seen many turnovers through the years. As you all know, consistency is a very important element in any organization's efforts to make its name known and its message heard. Kansas needs a consistent, persistent message to let travelers know we want them in our state.

Thank you for your time and consideration of this important legislation which will take Kansas tourism to the next level and increase its economic benefit in our communities.

Sally Fuller, President Wild West Country

Senate Commerce Committee
February 7, 2008

Attachment 13-1



#### **COFFEYVILLE AREA**

#### **CHAMBER OF COMMERCE**

807 Walnut • P.O. Box 457 • Coffeyville, KS 67337

Phone (620) 251-2550 • Fax (620) 251-5448

www.coffeyville.com • chamber@coffeyville.com

Statement to the Joint Committee on Senate Commerce
And House Economic Development & Tourism
February 6, 2008
Submitted by Kirsten Stotts, Director
Coffeyville Convention and Visitor Bureau

Committee Chairs Brownlee, Jordan and Gordon, and Members of the Senate Commerce Committee and the House Economic Development and tourism Committee:

My name is Kirsten Stotts and I am the director of the Convention and Visitors Bureau for the Coffeyville Chamber of Commerce. Coffeyville has had a devastating year in terms of tourism. The rains in late June, early July sent water from the Verdigris River pouring into the city. In the end, many people had lost their homes, their businesses, and their jobs. Visitor counts at our largest tourist attractions, the Dalton Defenders Museum and the Brown Mansion have been slashed in half since the flood. Furthermore, Coffeyville lost six out of seven of its hotels/motels. Although two have re-opened, it will be quite some time before our transient guest tax is where it needs to be for us to function as a viable CVB. Now more than ever I see the need for some action.

I fully support KTI and the structure they have laid out to bring Kansas to the next step in the tourism industry. The proposed \$15 million budget would help not only the state as a whole, but also the smaller entities such as Coffeyville's Brown Mansion or Aviation Heritage Museum who rely on tourists just to maintain. With the loss of most of our transient guest tax income, I as a CVB have been unable to help in terms of advertising and promotion. The loss hurts not only the attractions, but also the gas stations, the grocery stores, and the retail stores. The implementation of VISIT KANSAS will not only allow us to market Kansas effectively as a destination, but for some of us, it is a necessity.

Thank you for your time.

Senate Comm		nmittee
Februa	iny 1,	2008
Attachment	14-1	
Attachment _	14-1	



Testimony to the Senate Commerce Committee February 6, 2008 Karen Hibbard

Members of the Senate Commerce Committee:

This is an exciting time for Kansas and Kansas Tourism. The Kansas Tourism Initiative represents the first organized and coordinated approach for the future of tourism in Kansas from the tourism industry in 25 years.

Why this need? We know that Kansas is perceived by many as a drive through state. Do we really believe that we are just a state that one must go through in order to get to the mountains? Do we really **want** to believe we don't have anything to offer to the visitor? Think back to April 2007. Kansas was in the spot light. The Flint Hills of Kansas were being exposed to the world, thanks to the National Geographic 22 page spread. Jim Richardson, a native Kansans, captured through photography the beauty the Flint Hills holds. The interest in the Flint Hills not only is a treasure for Kansas to enjoy, but now the world.

Imagine a Kansas that....

Has a community that has a Discovery Center that is interactive in telling the story of the Flint Hills and the entire region. A Discovery Center that is a destination as well as incredible experience that explains what Kansas is all about.

Imagine a Kansas that....

Has Visitors Centers along I70 and I35 to welcome visitors to the Flint Hills and encourage them to spend time in our communities, small and large for an authentic Kansas experience.

Imagine a Kansas that....

Offers authentic Agri-Tourism experiences. Trial riding, hiking, hunting, fishing, and ranching, glorious sunrises and sunsets, all which beckon for the visitor to experience more.

Manhattan and Kansas both have a great deal to offer visitors – but it is true that telling the story of the authentic experience, wide-open spaces and even cosmopolitan offerings in Kansas, takes a concerted effort here in the heartland. It indeed takes partnerships with rural, mid-size and large cities working together to promote a great experience here in Kansas.

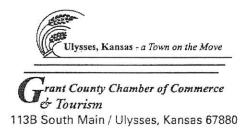
Senate Commerce Committee
February 7, 2008

Attachment \_\_\_\_\_\_15-1\_\_\_\_

With VISIT KANSAS, I believe we can indeed capture the imagination of the visitor.

Sincerely,

Karen Hibbard Director, Manhattan Convention and Visitors Bureau



February 6, 2008

Senate Commerce Committee Hearing on SB 501

From Scott Nichols, CEO, Grant County Chamber of Commerce & Tourism

The past 10 years have proven to be an excellent experience since returning to my hometown of Ulysses, Kansas. Understanding and valuing the qualities of rural Kansas prompted the return from Overland Park, Kansas following seven years of serving the University of Missouri Kansas City. Since the return I have had the opportunity of starting and managing a small business followed by working side by side and representing over 180 businesses investors and over 350 individual investors via the Grant County Chamber of Commerce. The change of venue involved not only serving the businesses of Grant County, but also working side by side with volunteers of our Tourism Council most notably, Lynda Fort, as our Tourism Council Chair.

Previous written testimony in November of 2007 noted a desire to see Kansas continue to improve tourism collaboration, enhance tax efficiency, and grow a stronger public & private relationship that can fulfill future goals and give Kansas a "jump start". A continued engagement of Rural Kansas and the desire to see the entire state utilized as the Tourism industry develops was emphasized as well.

The information below is in response to the Press releases or perceived attitude that followed the unveiling of KTI. The primary emphasis within the press releases was upon the 15 million dollars that KTI would cost. Keep in mind that of the 15 million dollars more than two / thirds is performance based or "earned".

Senate Commerce Committee February 7, 2008
Attachment 16-1

Tax Credits "earned" by entrepreneurs seeking to enhance our states ability to host visitors, entertain visitors and ultimately create more wealth throughout the state, including Rural Kansas. Sales Tax revenues, not tax increases, tracked by NAICS codes and show a performance base of additional monies "earned" by businesses that serve our Kansas visitors. Finally, Gaming revenues once again "earned" by those that are directly involved with inviting visitors to spend their money within Kansas. The remaining portion of the 15 million, less than one / third, is currently utilized by the state to promote Kansas to our visitors.

Our desire is to see a "Win / Win" as a Private & Public relationship, a New Business, fosters Kansas tourism and the "easy to see" attractions that are "As Big As You Think".



## Memorial Art Co., Inc.



P.O. Box 368 - 110 N.E. Third Abilene, Kansas 67410-0368 (785) 263-3062 1-800-371-3062 P.O. Box 983 - 1608 S. NINTH SALINA, KANSAS 67402-0983 (785) 823-2981 1-800-864-2909 P.O. BOX 607 - 1300 NICKERSON BLVD. HUTCHINSON, KANSAS 67504-0607 (620) 663-3161 1-800-862-3161

Feb. 6, 2008

The Honorable Karin Brownlee, Co-Chairman
Kansas Senator
The Honorable Nick Jordan, Co-Chairman
Kansas Senator
Senate Commerce Committee
Capitol Building
Topeka, KS

Dear Senator Brownlee and Senator Jordan:

I am writing to you and your committee in support of SB 501. One of the bright spots of the Kansas economy is that of Tourism.

Our small family business has offices in two of the three cities that recently received recognition as having attractions being listed among the "8 Wonders of Kansas." Although our business is not directly related to "tourism" I have seen the positive impact that "tourism" has on the local and state economy.

Most of the Tourism attractions of Kansas do offer educational and experiential opportunities for individuals as well as families. I have served Abilene as a City Commissioner since 1993 and am currently Mayor Pro-Tem. I always encourage our citizens and visitors in our community to make their visits an "Adventure in Learning" and hopefully they spend a few dollars along the way.

The Kansas Tourism Initiative (SB 501) will be a good investment that will benefit our Great State of Kansas now and into the future. The Tourism Industry does have room for growth!

Thank you for your consideration. Please advise if you would have any questions.

Best Regards,

Lynn Veterson

Lynn Peterson

memorialart@access-one.com

Senate Commerce Committee

February 1, 2008

Attachment 11-1

1105 N. BUCKEYE P.O. BOX 337 ABILENE, KANSAS 67410





DATE: February 4, 2008

FROM: Terry Tietjens, owner

Seelye Mansion, Abilene, KS

TO: Joint Committee on Senate Commerce

and House Economic Development & Tourism

RE: KTI Legislation

As a business owner who relies heavily on the travel industry, I encourage the passage of SB 501. The KANSAS Tourism Initiative represents the first organized and coordinated approach for the future of tourism in Kansas in 25 years.

As a farm boy growing up in Kansas, I have always been interested in history and preserving it for future generations. In 1966, my brother and I purchased a historic recreation resort in northeast Kansas and owned it for 18 years. It was located on the Lane Trail.

In 1982 I moved to Abilene to purchase the Seelye Mansion, and was able to do so by having all original contents. It is now one of the premier tour homes in Kansas and the United States. Daily tours are conducted, with facilities for weddings and other groups. The Seelye Mansion is a beautiful home built in 1905 by Dr. A.B. Seelye.

I have also been involved in other historic preservation projects in Abilene: The Kirby House Restaurant, the Downtown Historic Post Office Block, the Tietjens Center for the Performing Arts, and Old Abilene Town.

Kansas has many historic projects, and not only are we preserving history, each can become an opportunity for tourism. Abilene is small Central Kansas town, but without a strong tourism trade, most of our businesses would need to close their doors.

It is important that Kansas add additional funding to increase visibility for tourism in our State. It will give us an excellent return on investment, and we must be competitive for the tourist dollar. Kansas has this wonderful opportunity to increase tourism.

Terry Tietjens Seelye Mansion Abilene, Kansas



Senate Commerce Committee
February 7, 2008

Attachment

18-1

### The Eisenhower Foundation

P.O. Box 295 \* Abilene, KS 67410 \* Phone 785-263-6700 \* Fax 785-263-6718 Website: http://www.dwightdeisenhower.com

#### Continuing the Legacy

February 1, 2008

The Joint Committee on Senate Commerce and House Economic Development & Tourism State Capitol Topeka, Kansas

Dear Committee Members:

The Eisenhower Foundation is a public 501(c)(3) foundation that supports the Eisenhower Presidential Library and Museum in Abilene. Since 1945, we have helped promote the Eisenhower Center as a major historical, cultural, and tourism attraction in the state of Kansas.

The Eisenhower Presidential Library and Museum depend heavily on tourism and we therefore are very excited about the Kansas Tourism Initiative. The Foundation and Library strongly encourage passage of SB 501. The Kansas Tourism Initiative will make a difference by bringing a coordinated approach to tourism promotion in Kansas.

The additional funding provided by SB 501 will prove a winning proposition for Kansas. We are confident this investment in the tourism industry will have a great return on the dollar. The benefit will not only be more revenue for tourism businesses and the state treasury, but also an increase pride for Kansans in their own heritage and history.

We encourage passage of SB 501.

Sincerely,

MACK TEASLEY

**Executive Director** 

Advisory Committee:

Anne Eisenhower ★ David Eisenhower ★ Julie Nixon Eisenhower ★ Susan Eisenhower ★ Mary Jean Eisenhower Sen. Bob Dole ★ Sen. Nancy Kassebaum Baker ★ Gen. Colin L. Powell ★ Sec. Melvin Laird

Board of Directors:

John S. D. Eisenhower, Honorary Chairman ★ Stewart R. Etherington, President ★ Dr. Jack M. Mohler, Vice President ★ Wendell D. Gugler, Vice Presiden John R. Zutavern, Secretary ★ Glen L. Shank, Treasurer ★ Dr. Michael G. Johnson

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#### JOHN R. ZUTAVERN

February 3, 2008

401 NE 11th Street Abilene, KS 67410-1809 (H) (785) 263-3833 (O) (785) 263-2630 FAX (785) 263-7610 zutavem@sbcglobal.net

The Honorable Nick Jordan, Co-Chairman
Kansas Senator
The Honorable Karin Brownlee Co-Chairman
Kansas Senator
Senate Commerce Committee
Capitol Building
Topeka, Kansas 88806

Dear Senator Jordan and Senator Brownlee:

I understand that on February 7, your Committee will be hearing testimony regarding SB 501, as relates to the Kansas Tourism Initiative regarding tourism funding for our state of Kansas.

I am sure that many of your fellow Senators will recognize my name since I am a 15 year veteran of local government as City Commissioner and Mayor for three terms in the City of Abilene. I served as President of the League of Kansas Municipalities in 1998/99 and was very active in the National League of Cities Small Cities Council. At present I am on the Board of Education for USD 435, Secretary of the Board of Directors of the Eisenhower Foundation, and Vice Chairman of the Board of Directors of the Kansas Health Institute.

Based on the "feel" which I believe I have for all Kansans, I believe that the proposed initiative would be a great step forward for the entire state. It will bring many benefits to all the citizens including such things as increased sales tax revenue, and new jobs related to it. The fact that the only Presidential Library in Kansas is located in Abilene makes it a keystone for additional Kansas tourism promotion. A planned investment in the tourism industry in Kansas will pay big dividends in the future, and this is what KTI is proposing.

Situer

Very truly yours,

John R. Zutavern



200 S. Fifth, P.O. Box 744 Abilene, KS 67410

Office: 785-263-1077 or 1-888-426-6687 Depot: 785-263-0118 or 1-888-426-6689

WWW.asvrr.org

February 4, 2008

Mary Jane Oard, Manager Abilene & Smoky Valley Railroad 200 S Fifth St P.O. Box 744 Abilene, KS 67410

TO: Joint Committee on Senate Commerce

and House Economic Development & Tourism

RE: KTI Legislation

As the manager of the Abilene & Smoky Valley Railroad who relies heavily on the travel industry, I encourage the passage of SB 501. The Kansas Tourism Initiative represents the first organized and coordinated approach for the future of tourism in Kansas in 25 years.

The excursion train has been in existence for 14 years in Abilene, Kansas. The Abilene & Smoky Valley Railroad offers excursion train rides and school field trips from April through December. The 11 round trip, on rail that was laid by Rock Island Railroad in 1886, runs through the Smoky Hill River valley and all trips are narrated. The ASVRR is a 501 (c)(3) not for profit organization.

I believe that the proposed model will take tourism in Kansas to the next level. Additional funding will not only increase the visibility of Kansas, but will enhance the development of tourism in Kansas communities and increase the return on investment from travel expenditures.

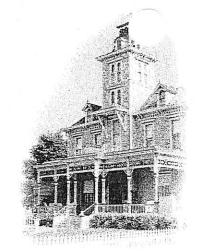
Sincerely,

Mary Jane Oard, Manager

Abilene & Smoky Valley Railroad

Mary Gane Card





January 31, 2008

Joint Committee on Senate Commerce and House Economic Development & Tourism

RE:

KTI Legislation

On behalf of the many small business owners in Abilene, Kansas, and elsewhere in the great State of Kansas, I urge you to support the Kansas Tourism Initiative (SB501).

As a business owner relying on tourism in order to keep my doors open, I cannot stress the importance of promoting "Visit Kansas".

The Historic Kirby House Restaurant has been in existence for 20 years. In the last 10 years since it's been in my ownership, I have seen the decline of tour busses at an alarming rate. Abilene, Kansas, has a lot to offer: The Eisenhower Presidential Center, The Greyhound Hall of Fame, The Indian Museum, The Lebold and Seelye Mansions and countless other attractions that rely on the tourist. Additional funding will increase the visibility of Kansas and all that it has to offer.

I urge you to support Kansas Tourism.

Thank you for your consideration.

Maria Evangelina Henry, owner

The Historic Kirby House Restaurant

grtfood@kirby-house.com

205 NE 3<sup>rd</sup> Street & Kirby Ave.

Abilene, KS 67410

#### AMERICAN INDIAN ART CENTER, LC

American Indian Owned 206 S. Buckeye American Indian Artists indart@access-one.com ABILENE, KS 67410 Fax 785-263-7453 785-263-0090

February 6, 2008

Glenda Purkis, Director Convention & Visitors Bureau 210 NW Second Abilene, Kansas 67410

Dear Glenda and Whom It May Concern:

While I support more spending on travel and tourism, I cannot fully support the TIAK proposed use of any monies raised.

Until a Welcome Center is put in place ON INTERSTATE 70 in the Kansas City area no other promotions are going to be effective. That one thing would have more people stopping in the state for attractions than any of the generic TV and billboard ads now in use. And not just on I-70 but throughout the state. The director told us tourists plan their trips ahead on the web and a Welcome Center is not needed. Unless they have plans to stop in Kansas already, hunger and gas are about the only things that will stop them. In a Welcome Center they have a chance to be exposed to brochures that will pique their interest in stopping. I can tell you from experience and the comments of thousand of our out-of-state visitors nothing stops you like a restroom and a cup of coffee or tea.

We have been in business for thirteen years in Abilene and have had other retail establishments for twenty five years before coming to Abilene. We do extensive automobile traveling throughout the year. We judge how badly the state wants our tourist dollars by how well the industry is promoted by their Welcome Centers and how easily these centers are accessed.

There has been a steady decline in out-of-state tourists stopping since the present management team has been in place in Topeka and the closing of the Kansas City Welcome Center.

We believe what little resources that are being spent today are not being used effectively. We doubt creating an autonomous entity will improve the quality of the organization as it exists today.

Respectfully Submitted,

Patt Murphy, Member



619 North Rogers • P.O. Box 515 • Abilene, Kansas 67410
Ph: 785-263-4570 • Fax: 785-263-7960
Website: www.ckff.net • Email: ckffoffice@tctelco.net

DATE:

February 5, 2008

FROM:

Joint Committee on Senate Commerce

And House Economic Development & Tourism

RE:

KTI Legislation

We the Central Kansas Free Fair Association, Inc. is writing this letter because we rely heavily on the travel industry to keep our fair alive each year. We encourage the passage of SB 501. The Kansas Tourism Initiative represents the first organized and coordinated approach for the future of tourism in Kansas in the last 25 years.

The Central Kansas Free Fair first known as the Dickinson County Livestock Show was started in Oct. of 1870. Newspaper reports indicate that the Fair held in September 1882 had 26 classes of entries, 12 horse races, 2 bicycle races and 2-foot races.

In 1924 we became the Central Kansas Free Fair and incorporated in Jan. 1928. The first Fair at the new fairgrounds was held October 2-5, 1906. It featured Trotting Ostrich, Horse Racing, and Balloon Ascension.

Today, CKFF is one of the largest county fairs having over 1800 4-H/FFA and open class exhibitors from Consumer Science Education to Livestock. Our mission remains the same to be an educational and entertaining event for the public.

This is why we believe that the proposed model will take tourism in Kansas to the next level. Additional funding will not only increase the visibility of Kansas, but will enhance the development of tourism in Kansas communities and increase the return on investment from travel expenditures. Please, hear our voices.

Sincerely,

Central Kansas Free Fair Association, Inc.

Kevin Harris, President

#### ilenda Purkis

From: Windmill Inn [windmillinn@eaglecom.net]

Sent: Tuesday, February 05, 2008 11:50 PM

To: Glenda Purkis

Subject: KTI Letter of Endorsement

# Windmill Inn

1787 Rain Road Chapman, KS 67431 785-263-8755

email: windmillinn@eaglecom.net

February 5, 2008

TO: Joint Committee on Senate Commerce

and House Economic Development & Tourism

FROM: Windmill Inn Bed and Breakfast

Chapman, Kansas

RE: KTI Legislation

As a business in rural Kansas, who relies heavily on the travel industry, we are very proud of our state and its tourism product. We encourage the passage of SB 501, because we feel that the tourism message could be enhanced and better delivered to the public with the help of the KTI. The Kansas Tourism Initiative represents the first organized and coordinated approach for the future of tourism in Kansas in 25 years.

Our business has been in existence for 17 years near Abilene, Kansas. Many changes have occurred to grow the tourism product in the minds of local Kansans and the message needs to be delivered beyond our own borders now.

I believe that the proposed model will take tourism in Kansas to the next level. Additional funding will not only increase the visibility of Kansas, but will enhance the development of tourism in Kansas communities and increase the return on investment from travel expenditures.

Deb and Tim Sanders, owners



#### Kathleen Sebelius, Governor Joan Wagnon, Secretary

www.ksrevenue.org

#### Testimony to the Senate Commerce Committee

Joan Wagnon

February 7, 2008

#### Department Concerns with Senate Bill 501

Senator Brownlee, Chair, and Members of the Committee:

Section 16 of Senate Bill 501 provides that 50% of the increase from base year 2007 in state sales tax collections received from tourism businesses shall be transferred annually to the travel and tourism development fund.

Section 17 establishes a new income tax credit for 50% of contributions to the Kansas tourism corporation, with the total tax credits allowed in any fiscal year not to exceed \$1 million. The Secretary of Revenue is to adopt rules and regulations to administer the tax credit program.

The 2007 base year amount of state sales tax receipts from tourism companies is \$196.34 million. According to Kansas Tax Facts (prepared by Legislative Research), for FY 2007, state sales tax collections were 27.8% of the total state tax revenue. The state sales tax is a vital funding source for the State General Fund and the Highway Fund. State sales tax receipts have been essentially flat for the past several years—particularly when inflation is taken into account. For that reason, any significant reduction of that funding source must be considered carefully. A chart showing State General Fund collections from state sales tax for the past 6 fiscal years is attached. For purposes of estimating the fiscal note, we project state sales tax receipts to increase 2% annually. As the proposal does not have provisions to index the base for inflation in future years or even account for rate increases, the amount annually transferred to the travel and tourism development fund will grow rapidly in future years. The following table lists the amount of revenues that will be lost from the state general and highway fund under this proposal.

<b>Fiscal</b>			
Year	Total	SGF	Hwy
2009	\$1,963,367	\$1,721,873	\$241,494
2010	\$3,966,002	\$3,478,184	\$487,818
2011	\$6,008,689	\$5,269,621	\$739,068
2012	\$8,092,231	\$7,096,886	\$995,344
2013	\$10,217,443	\$8,960,697	\$1,256,745

OFFICE OF THE SECRETARY

DOCKING STATE OFFICE BUILDING, 915 SW HARRISON ST., TOPEKA, Voice 785-296-3042 Fax 785-296-7928 http://www.ksre

Senate Comm	erce Co	mmittee
Februa	ru 7	2008
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Under the current structure of Senate Bill 501, both the State General Fund and the Highway Fund will sustain increasingly larger hits each year from these transfers.

In Section 16, the proposal states that the base year amount includes businesses whose "NAICS code (were) assigned or recorded by the department of labor for companies with employees in Kansas". Although the Department works closely with the Department of Labor, not all business registrations and the assigning of the NAICS codes are verified with the Department of Labor at the current time. Requiring that all NAICS codes to be assigned by the Department of Labor will mean a change in the processing of taxpayer registration applications.

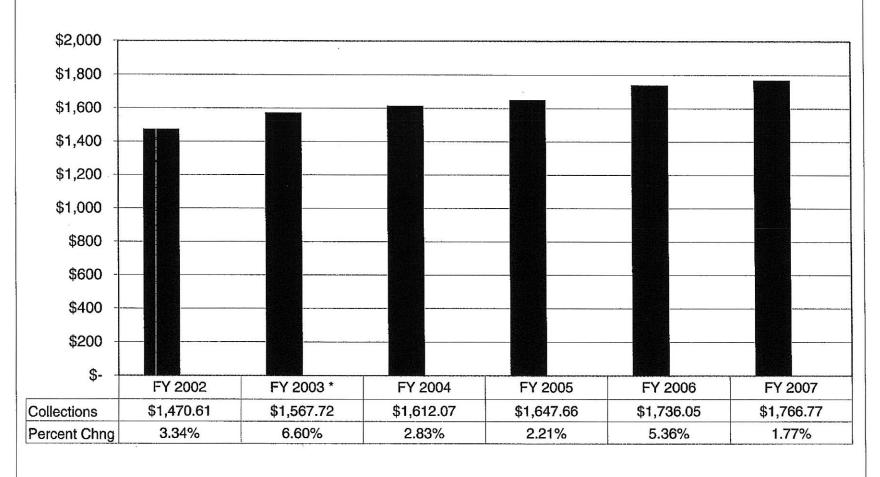
In the definition of base year taxation, the bill states that the base year may be adjusted in future years to account for the addition of new tourism companies and the identification of existing tourism companies inadvertently omitted from prior determinations. The base year amount would then be amended. Although the Department understands the need for adjusting the base year if an existing company was omitted from the initial computation, it is not clear why the addition of new tourism companies would cause a change in the base year.

Regarding the tax credit, Section 17 will require the Department to establish a process for approving issuance of the tax credits in advance, so the \$1 million cap per fiscal year of allowed credits is not exceeded. The Department will need to develop this process. Whenever a new tax credit is created, the Department must incur significant administrative costs to develop new schedules, make programming changes, test and implement them. These administrative costs are estimated at \$312,055. A new tax credit is a very expensive way to create a program funding source, which could fluctuate, depending on the level of contributions each year.

A much simpler and more efficient way to fund this proposed program would be for the Legislature to annually appropriate a fixed amount to the travel and tourism development fund.

# State Sales Tax Collections- General Fund (dollars in millons)

(\* rate change effective July 1, 2002)





DEPARTMENT OF COMMERCE

#### **Testimony on Kansas Tourism Initiative**

Prepared by Caleb Asher, Senior Director of Marketing Services Kansas Department of Commerce February 7, 2008

#### Committee Members:

I would like to begin by saying that we are excited to see folks throughout the state rally behind the tourism industry. People are looking for better ways to promote tourism in Kansas and, most importantly, provide it appropriate funding. Historically, marketing efforts have not been adequately funded, and we too would like to see that change.

After careful review of the Kansas Tourism Initiative, the Kansas Department of Commerce has decided that it cannot support the Initiative. Our opposition is not to the Initiative's proposed funding increase for tourism promotion; rather, it is the removal of the state's Travel & Tourism Division from the Department of Commerce and the creation of an independent tourism board that we oppose. Such a change would create glaring inconsistencies in overall state marketing activities and result in incongruent and conflicting pictures of Kansas among various audiences. This would undermine all efforts to create a unified message through the state's Brand Image Campaign.

It is also important to mention that we believe there are synergies and efficiencies that can be realized by keeping Tourism within the Department of Commerce. Recently, the Division of Travel and Tourism was placed within our Marketing Services unit to align our marketing and branding efforts. This will allow Tourism to work more closely with our Communications and Marketing staff, rather than being buried within our Business Development Division. Support services are already in place for Tourism. In addition to the Tourism staff, the division is able to take advantage of other services such as HR, IT and Fiscal.

As the Senior Director of Marketing Services for the state's lead economic development organization, I understand as well as anyone that tourism is a crucial part of our state's economy. Studies show tourism is a \$5.6 billion industry in Kansas, and that's not counting the invaluable pride communities feel that comes with being a tourism destination. But it's important to remember that tourism is *part* of the economy and *part* of the greater goal of overall economic development and prosperity. And because tourism is part of overall economic development, our efforts to grow tourism need to be consistent with our overall Brand Image Campaign and economic development efforts.

The need for consistency between tourism development and overall economic development is most apparent when it comes to marketing and advertising. In fact, that is why a group of community, economic development and convention and visitor's bureau leaders throughout

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the state came together just four years ago to develop a single brand identity for Kansas. As you have heard from me before, states with strong brands have an advantage in terms of economic development, tourism and overall economic impact.

Imagine watching last month's Orange Bowl and seeing two different Kansas commercials on your TV. The first commercial is created by an independent tourism board and is geared only toward tourists. The second ad promotes the state's quality of life, presents Kansas as a great place to live, work and play and is created by Commerce in conjunction with our Regent's universities – in this case, the University of Kansas – to attract out-of-state Kansas alumni to "come home" to Kansas to raise a family or retire. Imagine if those two commercials had completely different logos, themes and messages for the same state of Kansas. This type of messaging would be confusing to the viewer and weaken a strong brand identity.

Unfortunately, this is the way Kansas operated up until the Brand Image Campaign was launched in 2005. It is evident that it didn't work then, and won't work in the future. Please don't mistake what I am saying. Just because the state needs to have one strong brand identity, that doesn't mean that we can't have different messages for our specific target audiences of tourists, business, workers and families. But these different messages need to fit within an overarching Brand Campaign.

Again, we are not opposed to the Initiative's proposed funding increase for tourism development, nor are we opposed to the notion that tourism development deserves a heightened status among our state and private partners. It is the removal of the state's Travel & Tourism Division from the Department of Commerce and the creation of an independent tourism board that we oppose on the grounds that it would create inconsistencies in marketing activities among the state's economic development organizations. At best, these marketing inconsistencies would be wasteful. At worst, they'd create conflicting pictures of Kansas among various audiences that would undermine all efforts to create a more prosperous state.