

Approved April 6, 1990
Date

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT

The meeting was called to order by Elizabeth Baker at
Chairperson

7:39 a.m. ~~p.m.~~ on Tuesday, April 3, 1990 in room 521-S of the Capitol.

All members were present except: Representatives Barkis, Reinhardt, Brady, Goossen, Heinemann, Gregory, Aylward, Dean and Foster. Excused.

Committee staff present:

Jim Wilson, Revisor
Lynne Holt, Research
Elaine Johnson, Secretary

Conferees appearing before the committee:

Senator Ben Vidricksen
Harland Priddle, Secretary, Department of Commerce
Jean Barbee, Executive Director, Travel Industry Association of Kansas

The meeting was called to order by Chairperson Baker at 7:39 a.m.

Representative Baker opened the hearing on SB 621 and recognized Senator Ben Vidricksen.

Senator Vidricksen gave the committee the background on the bill. SB 621 will not require any state funds. The travel and tourism organizations will hold fund raisers and ask organizations for funds. It is hoped that we will qualify for government grants at a future date. This program will come under the jurisdiction of the Department of Commerce.

Senator Vidricksen responded to questions from the committee.

Harland Priddle, Secretary of Department of Commerce was the next conferee to testify in support of SB 621. Mr. Priddle stated that the tourism industry has an important fiscal impact on the state's economy and a matching grant program utilizing voluntary contributions as proposed in this bill will be useful to assist in the development of quality tourist attractions. This program is complimentary to programs now being conducted in the Travel and Tourism Division of the Department of Commerce and they support passage of SB 621. Attachment 1.

Secretary Priddle responded to questions from the committee.

Jean Barbee, Executive Director of the Travel Industry Association of Kansas was the final conferee to testify in support of SB 621. Ms. Barbee stated that to maintain Kansas facilities that will allow us to increase tourism revenue, the tourism industry must have: investment dollars for tourism businesses; more than merely adequate infrastructure; a favorable tax climate for business; and marketing. This bill will be a good start toward providing investment dollars for tourism businesses. In addition, it will provide an incentive for the development of tourism related businesses and afford the Department of Commerce an opportunity to accept grant moneys from private or public sources for the enhancement of tourism in the state. Attachment 2.

Representative Baker closed the hearing on SB 621.

Representative Baker opened SB 621 for discussion.

Representative Reinert made a motion that SB 621 be recommended favorably for passage. Representative Mead seconded the motion. Motion carried.

Representative Baker opened HB 3064 for discussion.

Jim Wilson of the Revisor's Office went over all the amendments to HB 3064 with the committee and answered any questions the committee had regarding these amendments.

Representative Samuelson made a motion that all the amendments be adopted into HB 3064. Representative Kline seconded the motion. Motion carried. Representative Chronister made a motion that the bill be introduced as a substitute bill and be passed favorably. Representative Sader seconded the motion. Motion carried.

The meeting adjourned at 8:30 a.m.

Elizabeth Baker

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TESTIMONY
TO
HOUSE ECONOMIC DEVELOPMENT COMMITTEE
ON
SENATE BILL 621

BY
HARLAND E. PRIDDLE
SECRETARY OF COMMERCE

APRIL 3, 1990

House Eco. Devo. Committee
Attachment 1

4/3/90

Mr. Chairman and Members of the Committee:

The tourism industry has an important fiscal impact on the state's economy. In 1987 (the last year for which totals are available) the U. S. Travel Data Center reports 2,167,500,000 travel dollars spent in Kansas.

State assisted advertising and promotion can play an important role in increasing the tourism dollars spent in our state.

An effective promotion and attraction development program requires a cooperative effort by state and local governments and private interests.

A matching grant program utilizing voluntary contributions as proposed in SB 621 will be useful to assist in the development of quality tourist attractions.

This program is complimentary to programs now being conducted in the Travel and Tourism Division of the Department of Commerce.

We support passage of SB 621.

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4/3/90



Travel
Industry
Association of
Kansas

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Topeka, Kansas 66612
913/233-9465 FAX 913/357-6629

STATEMENT

DATE: April 3, 1990
TO: HOUSE ECONOMIC DEVELOPMENT COMMITTEE
FROM: Jean Barbee, Executive Director
RE: TOURISM ATTRACTIONS MATCHING GRANT PROGRAM
(SB-621)

Mr. Chairman, members of the Committee, my name is Jean Barbee. I am the Executive Director of the Travel Industry Association of Kansas(TIAK) That is a statewide association whose membership is made up of both private and public sector representatives — hotels, motels, restaurants and attractions, as well as convention and visitors bureaus, chambers of commerce and other promotional organizations. TIAK is in favor of SB-621.

Recently I made a presentation to the "Close-Up Kansas" student group. The subject I addressed was, "Issues Facing the Travel Industry in the Kansas Economy." I gave them all the basic information we give you Legislators annually — about the travel industry having:

- a \$1.96 billion annual REVENUE IMPACT
- a \$376 million WAGE IMPACT
- a 42,700 job EMPLOYMENT IMPACT
- and - a \$63 million sales TAX REVENUE IMPACT.

I told the future leaders of Kansas that the two major issues facing the tourism industry in the Kansas economy are: having a quality product, which in tourism means having quality service and entertainment facilities; and being able to market that product.

I told them that to maintain Kansas facilities that will allow us to increase tourism revenue, the tourism industry must have:

- investment dollars for tourism businesses
- more than merely adequate infrastructure
- a favorable tax climate for business
- and marketing, marketing, marketing

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This bill would be a good start toward providing investment dollars for tourism businesses. In addition, it would:

- Provide an incentive for the development of a tourism related business
- Provide incentive for attractions to meet certain criteria. This would have a tendency to upgrade the quality of attractions in Kansas.
- Afford the Department of Commerce an opportunity to accept grant moneys from private or public sources for the enhancement of tourism in the state.

We ask that the committee report the bill favorably for passage.

Mr. Chairman, I would stand for questions.