

Approved March 18, 1992  
Date

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT

The meeting was called to order by Representative Diane Gjerstad at  
Chairperson

3:40 ~~am~~/p.m. on Tuesday, March 3, 1992 in room 423-S of the Capitol.

All members were present except:

Representatives Dean, Edlund, Love and Wagnon. Excused.

Committee staff present:

Lynne Holt, Legislative Research  
Jim Wilson, Legislative Revisor  
Betty Manning, Secretary

Conferees appearing before the committee:

Dr. David L. Edgell, Senior Executive Director, Office of Policy and Planning, U.S. Travel and Tourism Admin., U.S. Dept. of Commerce

Chairperson Gjerstad opened the meeting at 3:40 p.m.

The Chair welcomed Laura Nichol, Secretary, Kansas Department of Commerce who introduced Dr. David L. Edgell, Senior Executive Director, Office of Policy and Planning, U.S. Travel and Tourism Administration, U.S. Department of Commerce.

Dr. Edgell gave an overview of world wide tourism. He stated travel and tourism is the world's largest industry and major contributor to global economic development generating about 5.5% of the World's Gross National Product. Tourism is larger than the agricultural exports, traditionally one of the major exports for the United States. The travel industry includes interrelated businesses such as lodging, airlines, restaurants, car rental, travel agencies and tour wholesale companies. A new kind of tourism entrepreneur has entered the market offering bed and breakfast inns, farm vacations and recreational opportunities such as hunting, fishing, hiking, camping and horseback riding.

Repeat international tourists want to see the "real America". This should encourage Kansans to capitalize on the global marketplace in promoting Kansas products, clean air, frontier lands, native Americans and rural communities. Movies have encouraged interest in the wild west and rural countryside. When hosting international visitors, consideration needs to be taken regarding currency exchange and providing translation services. Tourism is an excellent opportunity for Kansans to share in a greater quality of life with interchange of cultures. The World's Fair to be held in Seville, Spain, April 20-October 12, 1992 would be a great way to promote the heartland of the United States. Attachment 1.

Dr. Edgell responded to questions from committee members.

The Chair opened further discussion of **ERO-23**, which reorganizes the division of housing into the Kansas Department of Commerce. Consideration was given to options that could be taken on this legislation. A copy of correspondence from Norman J. Furse, Attorney, Office of Revisor of Statutes, explaining the statutory, constitutional and House requirements relating to ERO's was distributed for review. Attachment 2.

The meeting was adjourned at 5:05 p.m.

Date Mar 3, '92GUEST REGISTER

## H O U S E

Committee on Economic Development

<u>NAME</u>	<u>ORGANIZATION</u>	<u>ADDRESS</u>
Laura Erickson	KDOC	Topoka
Carole Morgan	KDOC	Topoka
Jeray Lyden	Mid Ks. Econ. Dev.	Great Bend
<del>James McQuinn</del>	<del>Pharm</del>	<del>Topoka</del>
Wayne Ballig	Mid Ks Econ. Dev.	Great Bend
<del>Kevin Foxworth</del>	<del>Ks Lodging Assn.</del>	<del>Topoka</del>
Mary Lou McNeil	KDOC	"
Kathy Reich	KDOC	Topoka
Sonye Wrentz	KDOC	Topoka
Greg GUSTAF	KDOC	TOPEKA
David Edgell	U.S. Dept. of Commerce	Washington, D.C.
Richard M. Edgell	BoP Harvey County	Bashear, Ks.
Todd Hoender	JDC	Newton, KS
James A. Martin	Harvey County JDC	Newton, KS
Edward J. Roberts	Real Estate Resources	Wichita, KS
Gerald Cooper	City of Mansville	City Hall
Pete Olson	Finney Co EDC	Hardy City

Date Mar 3, '92

GUEST REGISTER

H O U S E

Committee on Economic Development

NAME

ORGANIZATION

ADDRESS

Noelle St. Clair

KS NAHEO

Topeka

DENNIS STACKLEY

KSDC

TOPEKA

TESTIMONY

DAVID L. EDGELL, SR., Ph.D.  
SENIOR EXECUTIVE DIRECTOR  
OFFICE OF POLICY AND PLANNING  
UNITED STATES TRAVEL AND TOURISM ADMINISTRATION  
U.S. DEPARTMENT OF COMMERCE

ON PRINCIPLES OF TOURISM DEVELOPMENT,  
ORGANIZATION AND ADMINISTRATION AND  
MARKETING FOR ECONOMIC SUCCESS

BEFORE THE SENATE ECONOMIC DEVELOPMENT COMMITTEE  
OF THE STATE OF KANSAS

MARCH 3, 1992  
TOPEKA, KANSAS

*Eco-Devo  
Attach 1  
03-03-92*

Mr. Chairman, and members of the Committee, it is an honor and privilege for me to have this opportunity to appear before you to describe some of the broad aspects of the Nation's travel and tourism industry, to bring you up to date on the work of the United States Travel and Tourism Administration (USTTA), to present a brief analysis of the international marketplace for tourism, and to offer my comments on what I believe to be special tourism opportunities for the State of Kansas.

Before I address these issues, I would like to take this opportunity, Mr. Chairman, to thank you for your commitment to the thoughtful interest of tourism policy through the holding of this hearing. I believe that for the most part tourism is an under utilized economic development tool---the economic significance of which will be more clearly realized by all of us well before the year 2000.

As a preface to my remarks on international tourism, let me suggest for all of us interested in tourism: that we not refer to tourists from other countries as being "foreigners." Rather, let us refer to them as what they are: our "international" guests. After all, it was Homer, in The Odyssey, in the 9th century B.C. who said that (quote): "A guest never forgets the host who had treated him kindly" (unquote); a good 20th century tourism philosophy in my opinion.

#### TRAVEL AND TOURISM IN THE WORLD ECONOMY

Today tourism is indeed an activity of considerable economic importance throughout the entire world. This growing significance of tourism as a source of income and employment, and as a major factor in the balance of payments for many countries, has been attracting increasing attention from national government, regional, state and local authorities, and others with an interest in economic development. A few brief statements compiled by the World Travel and Tourism Council and the World Tourism Organization suggest the importance of tourism from a worldwide perspective:

- o Travel & Tourism is the world's largest industry and a major contributor to global economic development.
- o Travel & Tourism (domestic and international travel expenditures) generates more than \$2.5 trillion in gross output revenues, which is about 5.5% of the World's Gross National Product.
- o Travel & Tourism employs more than 112 million people worldwide, or about 1 in 15 employees.

- o Travel & Tourism invests more than \$350 billion a year in new facilities and capital equipment, or 7.3% of worldwide capital investment.
- o Travel & Tourism contributes \$300 billion in direct, indirect, and personal taxes each year, more than 6% of total tax payments.
- o Travel & Tourism provides more than \$278 billion in world trade receipts.
- o Travel & Tourism is growing faster than the world economy in terms of output, value added, capital investment, and employment.

#### TRAVEL AND TOURISM IN THE UNITED STATES ECONOMY

Probably no country in the world has a greater comparative advantage in tourism than the United States. Tourism is an important source of income, foreign exchange receipts, and employment for the United States. The following facts illustrate how the travel and tourism industry impacts on the U.S. economy:

- o In the United States the tourism industry is currently the third largest industry behind auto sales and food sales, and the second largest industry in terms of employment behind health services.
- o The tourism industry in the United States includes 15 inter-related businesses, from lodging establishments, airlines and restaurants to car rental firms, travel agencies and tour wholesale companies.
- o Domestic and international travelers spent \$338 billion in 1991 in the United States on air, bus, taxi, cruise ships, and rail travel; hotel and motel accommodations; camping; food and drink; retail purchases; and amusement and recreation services. That amounted to 6 percent of the Gross National Product.
- o Total tourism in the United States supports almost six million jobs, a payroll of over \$80 billion and federal, state and local taxes of about \$45 billion.
- o Travel and Tourism ranks as the first, second or third largest employer in 37 states; it is the number one employer in 13 states. The industry leads the nation in terms of employment of women and minorities.

- o International travel to the United States showed substantial increases for the sixth consecutive year, with more than 42.1 million arrivals in 1991, up 8 percent over 1990 (in spite of the Gulf crisis). This continues the recent growth cycle in international travel to the United States which has increased by 61 percent in the last 5 years.
- o Expenditures by international travelers on travel services in the United States in 1991 reached \$59 billion (including international payments to U.S. carriers), up more than 10 percent from 1990. Such expenditures are critical in reducing the U.S. trade deficit.

#### NEW TRENDS IN TOURISM

A growing segment of the U.S. travel industry is not only new to the international market; it is new to tourism. As rural areas have struggled to diversify their economies and owners of family farms have sought new sources of income, a new kind of tourism entrepreneur has entered the market, offering bed and breakfast inns, farm vacations and recreational opportunities such as hunting, fishing, hiking, horseback riding, and camping.

These rural entrepreneurs are emerging at a time when the market is changing: (1) seven out of every ten international visitors to the U.S. are repeat visitors, and many repeat visitors wish to travel beyond the traditional "gateway" cities or favored destinations into the U.S. interior; (2) the U.S. international visitor mix is rapidly changing; a higher proportion of visitors are originating from emergent markets, as for example, East and South Asia and, because of cultural and linguistic differences, are demanding very different travel-related services than visitors from more traditional markets in North America and Western Europe; and (3) recent travel surveys show a decided interest by overseas visitors in "touring the countryside."

Tourism is one of the United States largest exports in terms of dollars brought into the U.S. economy. It is the largest business services export and the second largest export overall, ranking only behind the machinery and transport equipment sector. It is considerably larger than agricultural exports traditionally one of the major exports for the United States.

Since 1989, international visitors have spent more in the U.S. than U.S. citizens spent abroad. While the United States had a trade in tourism deficit of \$9.8 billion in 1985, by 1991 that figure had reversed and we had an estimated surplus of almost \$11 billion. Much of this surplus can be attributed to Canadian and Japanese visitors. Canadians spent \$2.7 billion more in this country than U.S. travelers spent in Canada. Likewise, Japanese visitors spent nearly \$11 billion more here than Americans spent traveling in Japan.

We expect significant growth in international tourism to the United States for the next several years. This growth will provide jobs and economic opportunities. Most experts predict that the rate of growth for tourism around the globe will range between 5 and 10 percent annually. Clearly, with increasing levels of disposable income and leisure time increasing in Asia, Eastern Europe and Latin America, the tourism industry will grow tremendously.

Over the past five years, the United States has ranked first worldwide in international travel receipts. The U.S. garnered nearly 16.5 percent of total international tourism spending globally in 1990. In the world's top tourism destinations, the United States ranks second in international tourist arrivals; this represents over 9 percent market share of all world tourist arrivals.

While the U.S. travel and tourism industry has done well internationally, the international tourism market has grown increasingly competitive. Of the countries which ranked among the world's top 15 tourism earners ten years ago, five are no longer even on the list. Only eight of the countries that ranked among the world's top 15 tourism earners in 1985 have managed to increase their share of the market; four have lost market share; and three have remained about even. Economic factors such as changes in exchange rates played a significant role in the shifts.

So far, the United States remains the world's top international tourism earner, with earnings double the size of our closest competitor. However, dynamic new tourism performers are emerging, especially in the Pacific. Japan and its East Asian neighbors recently have moved into the ranks of the top tourism performers in part due to economic factors such as changes in exchange rates. Ten years ago, the world's top 15 tourism earners included:

- o eleven Western European countries;
- o three North American countries; and
- o one Pacific nation.

The line-up now consists of:

- o seven Western European countries;
- o five Pacific nations (Hong Kong, Korea, Thailand, Australia and Japan); and
- o three North American countries.



Western Europe and North America continue to out-earn the Pacific in terms of total tourism revenue, but the Pacific countries are experiencing faster earnings growth. In fact, in the last five years, the Pacific's top tourism earners have achieved a rate of receipt growth that has been:

- o double the world's;
- o more than double Western Europe's; and
- o almost triple North America's.

Clearly, if this performance continues, we will see a very different "top 15" by the end of the decade.

There is no guarantee that the U.S. tourism industry will be able to maintain its position as the world's number one tourism earning nation. Not only is the competitive environment growing more formidable by the year, the U.S. tourism industry is highly fragmented. It is composed of pieces of industries occupying nearly 30 Standard Industrial Classification categories and comprises more than 1 million enterprises, many of whom are ill-prepared to compete in a global market place.

Most are independent small businesses whose proprietors are unfamiliar with the imperatives and pitfalls of the international market place. Many do not offer a "world class" product; they have neither foreign subsidiaries nor representatives and do not conduct international market research; and they do not have the benefit of corporate strategic plans. Actually, they owe much of their market penetration success in the last six years to the decline in the value of the dollar and, more recently, to the disinclination of residents of this Hemisphere to travel outside the Americas.

As I will discuss later, these small tourism "providers" are some of my agency's most important clients. These are the entities that most need help from the United States Travel and Tourism Administration. Many are located right here in Kansas.

Given this intensely competitive world environment, I would now like to discuss what my agency is doing to help develop and promote tourism to the United States---and particularly to under utilized areas and destinations.

#### INTERNATIONAL TOURISM DEVELOPMENT AND PROMOTION

As the national tourism office of the United States, the United States Travel and Tourism Administration represents and supports all parts of the U.S. tourism industry: states, regions, cities, rural areas, private sector companies and public nonprofit organizations. In doing so, we attempt to bring to bear, in the

highest potential international travel markets, this country's very best tourism offerings--mixtures of the highly popular and well-known and the lesser-known, less-visited, but still tremendously rewarding, destinations and services.

Most of this work is done through our offices in Canada, Mexico, Japan, the United Kingdom, France, Germany, the Netherlands, Italy, Australia and our South American office located in Miami. These are the official U.S. Government travel offices that support the travel trade by serving as the "eyes and ears" for the industry, gathering market data and intelligence and facilitating entry to market of states, cities, rural areas, regions, and companies trying to become involved internationally.

The way we "market" the United States remains the same whether the area being promoted is highly utilized or under utilized. But bringing under utilized areas to market receives considerable attention from us because those areas need our technical assistance the most. Further, under utilized areas are potential destinations for many of our repeat visitors who, after seeing our prize destinations on earlier visits, want to see "the real America" which is often "rural America."

However, in promoting under utilized areas, we cannot ignore the incredible drawing power of the better known destinations and tourism services in this country, particularly for potential first-time visitors to our shores. Nor can we ignore the tourism infrastructure built around these popular cities, attractions, and services. Indeed, we must use these popular destinations to their maximum advantage in the international marketplace, both as tourism magnets and delivery systems. Accordingly, we must strategically use linkage--linkage between the "haves" and "need mores." By connecting the sectors of this industry which need proportionately more assistance with those already well-established, we assist both in benefitting from the growing inbound market.

This strategy is embodied in the concept of "regionalism." We encourage states, cities, and private sector components to band together as regional coalitions in their international marketing efforts. The reasons and benefits are impressive:

- o Organizations which alone cannot effectively market their products and services abroad can do so, as part of a larger regional group; enabling greater participation in marketing efforts by firms and organizations which would or could not otherwise get involved;
- o Regionalism provides the means for strengthening the relationship between public and private sector groups;

- o Regionalism facilitates the international promotional effort--providing the international consumer with a consistent, recognizable, and manageable U.S. tourism product. Research clearly shows that tourists from abroad rarely visit only one city, state, or attraction in the U.S.; thus, regional packaging of tourism offerings takes advantage of this buying pattern.
- o Regionalism coordinates and thereby increases the, marketing impact of promotional efforts. My agency, for example, has prepared 2.5 million copies of a special regional brochure, in six foreign languages, "Heart of America" which includes Kansas, Missouri, Oklahoma and Arkansas and which is being utilized to promote this region in our offices abroad.

USTTA actively seeks to work with regional coalitions by providing research, technical planning assistance, and cooperative marketing support in implementing regions' promotional activities in targeted international markets.

An excellent recent example of this assistance concerns the Mississippi River Country (MRC), a special regional organization, comprising the 10 states of Montana, Wisconsin, Illinois, Iowa, Missouri, Arkansas, Kentucky, Tennessee, Mississippi, and Louisiana. We have been working extensively with this organization, providing technical guidance and research in their planning and program development efforts currently targeting a market in which USTTA is well-entrenched--Japan.

Let me briefly describe one of the success stories associated with this project. Our staff in Japan generated a unique promotional project on behalf of the MRC which fits well in the region's overall Japanese marketing plan. Specifically, the Mainichi Shimbun, Japan's third largest national daily newspaper (with a readership of over 10 million or one tenth of Japan's population), was persuaded to produce and publish a 2-page MRC travel supplement--the first such "travel section" of this magnitude in any Japanese newspaper. The supplement will be published sometime in mid-March 1992. With four color pictures and editorial features, this insert will effectively promote the MRC to potential Japanese visitors. Also, we have arranged for a familiarization tour, consisting of three teams of the newspaper's journalists to visit the region in order to develop the editorial content for the supplement. The value of this project is enormous; simply in terms of editorial space value, if purchased as advertising, the product is worth well over \$1.5 million. In terms of impact, USTTA will work with MRC to track and measure the increase in Japanese visitation to the region attributable to this project.

USTTA is actively working with several other regional groups to assist their international travel marketing efforts. These include Foremost West, Travel South, Southeast Tourism Society, New England USA, the Great Lakes States, Visit U.S. West, America's Heartland (which includes Kansas), the Old West Trail Foundation, as well as other, smaller regional groups. Regionalism, we believe, is an excellent vehicle for effective and efficient travel promotion, particularly in the international marketplace. And the prime beneficiaries are those states and destinations not immediately recognized as the best known or most popular destinations.

Before I continue, I would like to address a misconception that some have about USTTA. Our activities are structured to avoid duplicating the work of the tourism private sector and we do not expend scarce resources on subsidizing the promotional activities of the large business sector component of the industry. While we necessarily work hand-in-hand with large airlines and hotel chains in our regional promotions as well as with as many small and medium-sized entities that we can get to participate, the bulk of USTTA's activities is the provision of in-kind services to regions, states, cities, and small and medium-sized companies that do not otherwise have "eyes and ears" overseas and do not have the know-how to enter and compete successfully in international markets.

We have stepped up our work to provide communities and businesses just beginning to incorporate tourism as an economic development tool or seeking to enter international markets, with technical assistance and informational support. For example, we have just expanded our international marketing workshops, co-sponsored with the Travel Industry Association. After a very successful launch of this program with a regional seminar in Memphis, Tennessee in 1990, two such additional workshops were successfully conducted in August 1991 this past year, in Philadelphia and in Anaheim. This year we will again double this educational service by carrying out four international marketing workshops, in Charleston, South Carolina, Dearborn, Michigan, San Antonio, Texas, and Seattle, Washington. These events are designed to provide basic "do's and don'ts" and "how to's" of planning for, entering, and promoting in travel markets abroad. We are gratified by the enthusiastic reaction to these outreach efforts.

Another technical assistance tool worthy of note is the newest edition of Tourism USA--Guidelines for Tourism Development. This planning manual was produced by the University of Missouri for the Department of Commerce as an aid to communities interested in initiating or developing tourism as part of their economic development plan. It has essentially become the tourism development "bible" for hundreds of users throughout the country. In its

most recent edition, it has been expanded to include guidelines for developing international marketing and visitor services for special populations. This manual has proven particularly valuable to rural and ethnic tourism communities.

Additionally, we co-sponsored an important rural tourism economic development training session in cooperation with the University of Minnesota Tourism Center, the Economic Development Administration, the Department of Agriculture and the Small Business Administration. This past November 20, a teleconference on rural tourism development was broadcast to approximately 150 locations throughout the country with more than 4,000 participants. At those locations, hundreds of local government and business officials heard rural tourism experts discuss how to develop and maintain a prosperous tourism industry in their particular rural areas.

One of USTTA's most important new rural development initiatives, in connection with the President's Rural Development Program was announced by the Under Secretary of Commerce for Travel and Tourism on December 3, 1991, when he stated that: "Tourism can play a critical role in revitalizing rural America. Towards that goal, the U.S. Travel and Tourism Administration will organize a "Train the Trainers" rural tourism conference April 22-24, in Kansas City, Missouri." USTTA is currently developing, organizing and preparing for this conference, which will be the beginning phase of a national effort to utilize tourism as an economic development tool in rural areas.

#### TRAVEL AND TOURISM IN KANSAS

This section of my testimony is an attempt on my part to relate to you my own observations about travel and tourism in Kansas --- with special emphasis on international tourism from my agency's perspective. Before making comments on ways and means that I believe that Kansas can increase its participation in international trade in tourism, I want to compliment the excellent efforts currently underway by the Kansas Department of Commerce and its Travel and Tourism Development Division. This Department has recognized that the global marketplace is where important growth will occur in the 1990s and is developing plans and strategies to better impact on the international marketplace.

The following comments help reinforce the many reasons why Kansas needs to give special focus toward marketing and promoting its tourism products globally.

- o First, the international visitor spends more than six times as much on tourism services as does a domestic visitor from another state. Such visitors buy enormous amounts of locally made products, gifts and souvenirs which stimulate economic benefits for local merchants and businesses in Kansas. Thus Kansas should strive to get its fair share of the international tourism marketplace and think beyond just providing tourism services to helping stimulate tourist purchases of Kansas-made products.
- o Second, such "dollars" from international visitors are "fresh currency" rather than "recycled currency" already in the domestic income stream; hence economists term such expenditures as having a greater multiplier effect on the economy. Kansas and the nation benefit simultaneously from such expenditures because it improves the overall trade balance. These kinds of expenditures also stimulate new demand for a broader range of products and services to accommodate the needs and desires of the international visitor.
- o Third, generally speaking, the taxes paid by international visitors on tourism services yield a higher benefit to the state and nation because such visitors utilize only a limited amount of the services paid for by such taxes. The international visitor is a very "temporary" resident who spends large amounts of money and then leaves. The taxes they pay benefit the State of Kansas directly and indirectly.
- o Fourth, international tourism expenditures contribute to the creation of jobs and, over the past decade, expenditures on tourism services have directly generated more jobs than any other industry sector except health services. The jobs often provide special opportunities for minority groups or disadvantaged rural areas. Such job creation is critical to Kansas and the Nation.
- o Fifth, international visitors seek variety and flexibility in their tourism products. This year, Kansas has a unique opportunity to lay out the welcome mat to international visitors by supporting a variety of tourism products and services being promoted through Kansas City's participation in Expo '92, the world's fair in Seville, Spain. Kansas should be up front in marketing its tourism product to the ten million international visitors who will be exposed to America's heartland during Expo '92 (SEE ATTACHMENT A).
- o Sixth, it is estimated that more than one million enterprises are involved in travel-related businesses in the

United States, of which 98 percent can be classified as small, such as travel agencies, family-owned motels, restaurants, amusement areas, and souvenir gift and other retail establishments all of which are important to the Kansas economy.

- o Seventh, tourism plays an important role in economic development, stimulating improvements in roads, transportation systems, agriculture, food processing, construction and so fourth. For example, the more international tourists who visit the United States, regardless of whether or not they specifically visit Kansas, they eat bread from Kansas wheat, Kansas beef, fly on airplanes made in Wichita, and on and on.
- o Eighth, the local benefits from tourism are usually in such categories as employment, income, diversification of economic base, tax revenues, visibility, and/or cultural benefits. In brief, tourism properly developed can add greatly to the quality of life in a local community. There are numerous recent examples of this phenomenon happening throughout Kansas.
- o Ninth, most recent surveys have indicated a strong desire by international visitors to travel to areas with good recreational facilities, rural areas and a clean environment. Kansas fits this profile perfectly.
- o Tenth, there is considerable interest by international visitors, particularly those who are repeat visitors, in seeing "real America" or "rural America." Usually on his or her first or second trip to the United States they have likely gone to the big cities or well known attractions, but during repeat visits (and 76 percent of the international visitors are repeats), they want to visit the interior, wide open spaces, frontier West; in brief, the very kind of tourism product that Kansas does offer and can readily expand.

The above comments merely illustrate a very few of the potential opportunities for increasing visitation to Kansas and why Kansas should seek to increase its share of international visitors. This analysis suggests that Kansas needs to "think globally" and "act locally". In other words, Kansas should play an important and active role in local, state, regional and national efforts to market and promote its tourism product in the international marketplace.

Now I would like to take a moment to concentrate on some of the very positive avenues which Kansas has already taken to make the general public and potential tourists aware of the wonderful

tourism opportunities in the State of Kansas. These comments are limited to only what I have seen or heard about and reflect information I began to collect on Kansas after my initial trip to Fort Scott, Kansas in 1990. The purpose of my trip at that time was to support the impressive rural tourism initiative taken by Fort Scott through the preservation, restoration, development and marketing of this interesting area in Kansas. (As reference to this testimony, a copy of Business America, November 5, 1990 is included as ATTACHMENT B). I have tried to describe this impressive record in chronological order with some brief comments about each article.

1. "How One Kansas Town Used Tourism To Revitalize Its Economic Base", Business America, November 5, 1990. An excellent commentary on the rural tourism success story of Fort Scott, Kansas. Parts of this article were reprinted nationally and internationally.
2. "A Resurgence in Rural Trips for Rest and Relaxation," USA Today, January 24, 1991. Article focuses on the desire of international visitors to "get off the beaten path" and explore the countryside and rural areas. Special mention of Fort Scott, Kansas with a photo of the Fort was included in the article.
3. "Fort Scott Lures Visitors with its Past", The Kansas City Star, May 27, 1991. Special story on Fort Scott, Kansas as a popular new destination. Interesting commentary on how Fort Scott markets its tourism product on a "shoestring" budget.
4. "A Meca Called Kansas", Adweek's Marketing Week, June 3, 1991. Cites the fact that the United States Travel and Tourism Administration announced that international tourism to Kansas jumped 213 percent between 1985 and 1990, the biggest increase of any state.
5. "Suddenly, the U.S. is Everybody's Oyster", Business Week, July 15, 1991. An interesting commentary on the large increase of international visitors to the United States and specific reference to Kansas as a fast-growing destination for international tourists.
6. "Tourists from Abroad Discover Mid-America", The New York Times, October 20, 1991. Excellent article pointing out that repeat international visitors (76 percent of total) are travelling to places with the Old West flavor, for example, Dodge City, Kansas.



7. In early 1992 there was an interesting series of articles by The Capital-Journal pointing out that international travelers specifically cite the friendliness of Kansans, that Kansas needs to be even more cognizant of the importance of the special needs of international visitors and a special commentary on new efforts by Kansas in rural tourism.

### CONCLUSION

In conclusion, I would simply like to say that not only is my agency pleased with our current working relationship in tourism with the Kansas Department of Commerce and its Travel and Tourism

Development Division but look forward to even closer cooperation in the future. Secretary of Commerce Laura Nicholl provides unusually dynamic leadership in this effort and I am honored to have the opportunity to work with her and her very able Travel and Tourism Director, Greg Gilstrap. My agency is committed to working with states, local communities and the private sector. I believe that Kansas offers a great opportunity for tourism development and marketing and through individual and cooperative efforts with USTTA, Kansas will be the recipient of increases in employment and economic and social benefits through tourism. In summary, in my opinion, Kansas is like a secret hideaway just waiting to be discovered and I believe now is the time to release the tourism secrets of Kansas and let the world know more about this beautiful and progressive state and her serious commitments towards tourism development.

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"The opportunities that international travel and tourism provide for developing greater national and international understanding and goodwill cannot be measured, but tourism can develop the international context leading to a reduction of international tension, and in so doing develop an avenue for friendship and respect among nations. In brief, tourism can provide the moral and intellectual basis for international understanding and interdependence. Tourism policy must chart the course so that international leaders will recognize that tourism is an important tool leading toward a higher quality life for mankind."

(Quote from the book: International Tourism Policy, by David L. Edgell, Sr., Ph.D. as published by Van Nostrand Reinhold, New York, 1991)

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January 16, 1992

Representative Diane Gjerstad  
115-S, Statehouse  
Topeka, Kansas 66612

Dear Diane,

With regard to your question about executive reorganization orders, I thought I might be able to save you some time by providing you with a short explanation of the constitutional, statutory and House of Representatives requirements relating to EROs as follows:

1. Under section 6 of article 1 of the Kansas Constitution, the Governor is authorized to transfer, abolish, consolidate or coordinate functions within the executive branch of state government by the use of an executive reorganization order. The Governor is to transmit an executive reorganization order within the first 30 calendar days of a regular session. The Order is to be transmitted to both houses of the legislature on the same day. Each ERO transmitted to the legislature will take effect and have the force of general law on July 1 following its transmittal, unless within 60 calendar days and before adjournment either the Senate or the House of Representatives adopts by majority vote of all the members of that house a resolution disapproving the ERO. An ERO which becomes effective is published like an act of the legislature and becomes a statute of the state. An executive reorganization order which is to become effective or has become effective may be amended or repealed in the same manner as a statute of the state is amended or repealed.

2. K.S.A. 45-318 specifies how an ERO is to be printed. The printing is done in a format similar to the printing of bills.

3. The Rules of the House, Rule 4501 through 4506, relate to executive reorganization orders. Rule 4501 directs that the EROs are referred to an appropriate committee. Rule 4502 requires a committee to which an ERO has been referred to report its recommendations, in the form of a House Resolution, not later than the 60th calendar day of any regular session and not later than 30 calendar days after the ERO was received by the committee, whichever occurs first. Rule 4503 provides that if the committee fails to report upon an ERO and upon any resolution relating

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thereto within the time specified in Rule 4502, the committee is deemed to have returned the ERO to the House without recommendation. Under Rule 4504 when a report is returned by a committee concerning an ERO the consideration of the report and the ERO is made a special order of business on a particular day and hour specified by the Speaker but not later than the last day the ERO may be disapproved under the Constitution (that is, within 60 calendar days of the commencement of the session and before the adjournment of the session). Rule 4505 makes it clear that these House Rules do not apply to bills amending or otherwise affecting EROs. Under Rule 4506 the House is directed to approve or reject every ERO unless the Senate has already rejected the ERO. It should be noted in this regard that the Constitution does not require approval by either the House or the Senate, or both, for an ERO to become effective. No action by the House and Senate would allow the ERO to become effective. Formal approval by either or both houses is not required for an ERO to become effective.

I hope this information and the attachments to this letter will be of assistance to you. Please let me know if you have any questions with respect to this matter.

Sincerely,



Norman J. Furse  
Revisor of Statutes

NJF/sma  
Enclosure

council not violative of separation of powers doctrine. State, ex rel., v. Bennett, 222 K. 12, 17, 564 P.2d 1281.

**§ 4. Reports to governor.** The governor may require information in writing from the officers of the executive department, upon any subject relating to their respective duties. The officers of the executive department, and of all public state institutions, shall, at least ten days preceding each regular session of the legislature, severally report to the governor, who shall transmit such reports to the legislature.

**History:** Adopted by convention, July 29, 1859; ratified by electors, Oct. 4, 1859; L. 1861, p. 50; L. 1972, ch. 390, § 1; Nov. 7, 1972.

**Revisor's Note:**

Provision for reports by officers to governor appeared in § 16, prior to 1972 revision of article.

**Research and Practice Aids:**

States ↔ 41.  
Hatcher's Digest, Attorney General §§ 1, 2.  
C.J.S. States §§ 60, 74.

**Attorney General's Opinions:**

Dept. of administration; inclusion of state agencies' budget requests in governor's budget report. 82-20.

**CASE ANNOTATIONS**

1. Governor may require attorney general to examine witnesses under prohibitory law. The State, ex rel., v. Dawson, 86 K. 180, 187, 119 P. 360.

2. Mentioned; 1972 amendment to article held properly submitted and adopted. Van Sickel v. Shanahan. 212 K. 426, 430, 511 P.2d 223.

**§ 5. Governor's duties for legislature; messages; special sessions; adjournment.** The governor may, on extraordinary occasions, call the legislature into special session by proclamation; and shall call the legislature into special session, upon petition signed by at least two-thirds of the members elected to each house. At every session of the legislature the governor shall communicate in writing information in reference to the condition of the state, and recommend such measures as he deems expedient. In case of disagreement between the two houses in respect of the time of adjournment, the governor may adjourn the legislature to such time as he deems proper, not beyond its next regular session.

**History:** Adopted by convention, July 29, 1859; ratified by electors, Oct. 4, 1859; L. 1861, p. 50; L. 1972, ch. 390, § 1; Nov. 7, 1972.

**Revisor's Note:**

Provision for adjournment in case of disagreement between houses prior to 1972, appeared in § 6 of this article.

**Cross References to Related Sections:**

Adjournment for more than two days; consent of other house required, see Kans. Const. Art. 2, § 8.

Legislative petition for special session, see 46-1401 et seq.

Messages and reports to legislature, see 75-102, 75-3721.

Record of petitions for special sessions maintained, see 75-104.

**Research and Practice Aids:**

States ↔ 41.

Hatcher's Digest, Constitutional Law, § 20; States §§ 14 to 16.

C.J.S. States §§ 60, 74.

**Attorney General's Opinions:**

There is no limitation on subject matter to be dealt with at special session. 87-92.

**CASE ANNOTATIONS**

1. Governor must necessarily decide which body constitutes house. (Dissenting opinion.) In re Gunn, Petitioner, 50 K. 155, 250, 32 P. 470.

2. Legislation demanded respecting freight rates, authorized governor to convene legislature. Farrelly v. Cole, 60 K. 356, 362, 366, 370, 56 P. 492.

3. Mentioned; legislature at budget session has no power to appoint interim investigating committee. State, ex rel., v. Anderson, 180 K. 120, 123, 126, 299 P.2d 1078.

4. Finance council and emergency fund laws (75-3708 to 75-3714) not encroachment on power of executive. State, ex rel., v. Fadely, 180 K. 652, 667, 676, 686, 696, 308 P.2d 537.

5. Governor may call special session so legislature can lawfully apportion legislative districts. Harris v. Shanahan, 192 K. 183, 213, 387 P.2d 771.

6. Mentioned in holding 1968 reapportionment of senate unconstitutional. Long v. Docking, 283 F. Supp. 539, 543.

**§ 6. Reorganization of state agencies of executive branch.** (a) For the purpose of transferring, abolishing, consolidating or coordinating the whole or any part of any state agency, or the functions thereof, within the executive branch of state government, when the governor considers the same necessary for efficient administration, he may issue one or more executive reorganization orders, each bearing an identifying number, and transmit the same to the legislature within the first thirty calendar days of any regular session. Agencies and functions of the legislative and judicial branches, and constitutionally delegated functions of state officers and state boards shall be exempt from executive reorganization orders.

(b) The governor shall transmit each executive reorganization order to both houses of the legislature on the same day, and each such order shall be accompanied by a governor's message which shall specify with respect to each abolition of a function included in the order the statutory authority for the exercise

of the function. Every executive reorganization order shall provide for the transfer or other disposition of the records, property and personnel affected by the order. Every executive reorganization order shall provide for all necessary transfers of unexpended balances of appropriations of agencies affected by such order, and such changes in responsibility for and handling of special funds as may be necessary to accomplish the purpose of such order. Transferred balances of appropriations may be used only for the purposes for which the appropriation was originally made.

(c) Each executive reorganization order transmitted to the legislature as provided in this section shall take effect and have the force of general law on the July 1 following its transmittal to the legislature, unless within sixty calendar days and before the adjournment of the legislative session either the senate or the house of representatives adopts by a majority vote of the members elected thereto a resolution disapproving such executive reorganization order. Under the provisions of an executive reorganization order a portion of the order may be effective at a time later than the date on which the order is otherwise effective.

(d) An executive reorganization order which is effective shall be published as and with the acts of the legislature and the statutes of the state. Any executive reorganization order which is or is to become effective may be amended or repealed as statutes of the state are amended or repealed.

**History:** Adopted by convention, July 29, 1859; ratified by electors, Oct. 4, 1859; L. 1861, p. 50; original subject matter stricken by revision and new subject substituted, L. 1972, ch. 390, § 1; Nov. 7, 1972.

**Revisor's Note:**

Prior to 1972 revision, section provided for adjournment of legislature by governor in case of disagreement between houses of legislature. This authority of governor was included in § 5 of article by revision.

**Research and Practice Aids:**

States ⇐ 41.

C.J.S. States §§ 60, 74.

**Law Review and Bar Journal References:**

Discussed in comment on executive reorganization, 13 W.L.J. 530 (1974).

**CASE ANNOTATIONS**

1. Discussed; 1972 amendment of section does not conflict with Article IV, Section 4, of the U.S. Constitution, guaranteeing to every state a republican form of government. *Van Sickle v. Shanahan*, 212 K. 426, 430, 431, 434, 439, 447, 448, 449, 450, 451, 452, 511 P.2d 223.

**§ 7. Pardons.** The pardoning power shall be vested in the governor, under regulations and restrictions prescribed by law.

**History:** Adopted by convention, July 29, 1859; ratified by electors, Oct. 4, 1859; L. 1861, p. 50; L. 1972, ch. 390, § 1; Nov. 7, 1972.

**Revisor's Note:**

No change was made in this section by the 1972 revision of this article.

**Research and Practice Aids:**

Pardon and Parole ⇐ 4.

Hatcher's Digest, Pardon, Parole and Commutation §§ 1, 2, 6 to 9.

C.J.S. Pardons §§ 3, 5, 14, 15, 19.

**Attorney General's Opinions:**

Criminal procedure; release procedure; pardons and commutations. 79-131.

Schools; teachers' contracts; constitutionality of binding arbitration provision in Senate Bill No. 718. 80-63.

Office of governor; power to accept delegated presidential authority. 80-140.

Law enforcement training center; qualifications of applicant. 85-165.

**CASE ANNOTATIONS**

1. Not violated by "parole law" conferring power on district court. *Mikesell v. Wilson County*, 82 K. 502, 504, 108 P. 829.

2. Section cited in distinguishing commutation of sentence and conditional pardon. In re Charles, 115 K. 323, 222 P. 606.

3. Section includes power to grant commutation of sentence and remit fines and forfeitures. *Jamison v. Flanner*, 116 K. 624, 228 P. 82.

4. Section includes power to parole and commute sentences under laws. *Lynn v. Schneck*, 139 K. 138, 140, 30 P.2d 117.

5. Reprieve of execution of death sentence granted to allow time to present application for executive clemency. *State v. Miller*, 169 K. 1, 217 P.2d 287.

6. Court expungement of criminal records no infringement on pardoning power of executive. *Stephens v. Van Arsdale*, 227 K. 676, 694, 608 P.2d 972.

**§ 8.**

**History:** Adopted by convention, July 29, 1859; ratified by electors, Oct. 4, 1859; L. 1861, p. 50; eliminated by revision, L. 1972, ch. 390; Nov. 7, 1972.

**Revisor's Note:**

Section related to great seal of Kansas. Subject matter was included in § 9 of this article by revision in 1972.

**§ 9. State seal and commissions.** There shall be a seal of the state, which shall be kept by the governor, and used by him officially, and which shall be the great seal of Kansas. All commissions shall be issued in the name of the state of Kansas; and shall be signed by

secretary of state or the director of legislative administrative services. All expenses incurred under this act shall be paid from funds appropriated for legislative expense.

**History:** L. 1969, ch. 249, § 16; L. 1975, ch. 265, § 13; Feb. 3.

**45-317. Printing of bills and concurrent resolutions; types.** The state printer is hereby directed to print each succeeding version of each bill and concurrent resolution to show changes made in each house in a different font of type and to retain material shown in canceled type and italic type in each reprinting of the bill or resolution. The state printer is directed to use the following types for the material indicated:

(a) Original new material in italic type, except original new material when the entire section is new material, in which case roman type shall be used and the word "New" shall precede the word "Section" or "Sec." at the beginning of each such entirely new section, and the words "New Section" shall be printed in italic type.

(b) Existing material being deleted in roman canceled type.

(c) Existing material in roman type.

(d) House committee amendments in boldface.

(e) New material being deleted in italic canceled type.

(f) House committee of the whole amendments in boldface and set off by brackets.

(g) Senate committee amendments in boldface italic type.

(h) Senate committee of the whole amendments in boldface italic and in brackets.

(i) Material other than the foregoing as seems appropriate to the state printer.

**History:** L. 1975, ch. 265, § 14; Feb. 3.

**45-318. Printing of executive reorganization orders.** Whenever an executive reorganization order is transmitted to the houses of the legislature, the same shall be printed in the same manner as 1975 Executive Reorganization Order No. 10 [75-5630 *et seq.*] by the state printing plant in such numbers as bills are printed.

**History:** L. 1975, ch. 266, § 7; July 1.

#### Article 4.—PUBLIC RECORDS PRESERVATION

**45-401. Public policy concerning gov-**

ernment records. The legislature declares that state and local government records with enduring value should be stored in conditions which are not adverse to their permanent preservation and should be properly arranged so that appropriate public access to such records is possible. Disposition of noncurrent records which do not merit preservation will promote economy and efficiency in the day-to-day activities of government. Cooperation among agencies at all levels of government is necessary in order to achieve proper preservation of records with enduring value.

**History:** L. 1981, ch. 331, § 1; July 1.

**45-402. Definitions.** As used in this act:

(a) "State agency" means any department, board, commission, or authority of the executive branch of state government.

(b) "Local agency" means any department, board, commission, officer or authority of a county, city, township, school district or other tax-supported governmental subdivision of the state.

(c) "Board" means the state records board established pursuant to K.S.A. 75-3502 and amendments thereto.

(d) "Government records" means all volumes, documents, reports, maps, drawings, charts, indexes, plans, memoranda, sound recordings, microfilms, photographic records and other data, information or documentary material, regardless of physical form or characteristics, storage media or condition of use, made or received by an agency in pursuance of law or in connection with the transaction of official business or bearing upon the official activities and functions of any governmental agency. Published material acquired and preserved solely for reference purposes, extra copies of documents preserved only for convenience of reference and stocks of publications, blank forms and duplicated documents are not included within the definition of government records.

(e) "Noncurrent government records" means all government records which no longer are necessary for the handling of ordinary official public business by the agency and which are not required by law to be retained in the immediate custody of the agency for a longer period of time.

(f) "Government records with enduring value" means all government records which

ARTICLE 43. MISCELLANEOUS

**Rule 4301. Employees; Employment.** Such employees as are necessary to enable the officers, members and committees to properly perform their duties and transact the business of the House with efficiency and economy shall be recruited under the supervision of the director of legislative administrative services subject to approval of the Speaker. The director of legislative administrative services shall keep a roster of the employees of the House and an account of the hours of service performed. No employee shall lobby for or against any measure pending in the Legislature and any employee violating this rule shall be discharged immediately.

**Rule 4302. Special Order.** Any matter may be made the special order for any particular time or day, but all requests and motions for special orders shall be referred to the committee on rules and journal, which may designate particular times and days for such special orders and report to the House for its approval. Upon adoption of such report by 2/3 of the members present, the matters designated shall stand as special orders for the times stated, but no special order shall be made more than seven days in advance. This Rule 4302 shall not apply to executive reorganization orders or resolutions relating thereto.

**Rule 4303. Petitions; Presentation.** Petitions and memorials addressed to the House shall be presented by a member.

**Rule 4304. Petitions; Endorse Name.** Each member presenting a petition or memorial shall endorse it with their name or the name of the committee, and a brief statement of its subject.

**Rule 4305. Open Meetings.** The open meeting law (K.S.A. 75-4317 *et seq.* and amendments thereto) shall apply to meetings of the House of Representatives and all of its standing committees, select committees, special committees and subcommittees of any of such committees.

ARTICLE 45. EXECUTIVE REORGANIZATION ORDERS

**Rule 4501. Referral of Executive Reorganization Orders.** Whenever an executive reorganization order is received from the Governor, it shall be referred to an appropriate committee by the Speaker.

**Rule 4502. Committee Report on Executive Reorganization Orders.** The committee to which an executive reorganization order is referred shall report its recommendations upon every executive reorganization order referred to it, in the form of a House resolution, not later than the 60th calendar day of any regular session, and not later than 30 calendar days after it has received such referral whichever of the foregoing occurs first.

**Rule 4503. Return in Event of Committee's Failure to Report.** In the event that a committee fails to report upon an executive reorganization order and upon all resolutions relating thereto referred to it within the time specified in Rule 4502, such committee shall

be deemed to have returned the same to the House without recommendation thereon.

**Rule 4504. Special Order of Business for ERO.** When a report or return of an executive reorganization order is made, it and all resolutions for approval or disapproval thereof shall be made the special order of business on a particular day and hour specified by the Speaker but not later than the last day the executive reorganization order may be disapproved under section 6 of article 1 of the Constitution of Kansas.

**Rule 4505. Nonapplication to Bills.** This Article 45 shall not apply to bills amending or otherwise affecting executive reorganization orders.

**Rule 4506. Nonaction When Moot.** The House shall act to approve or reject every executive reorganization order unless at the time set for such action the Senate shall have already rejected such executive reorganization order.

#### ARTICLE 47. IMPEACHMENT

**Rule 4701. Impeachment; Powers.** Nothing in the rules of the House or in any statute shall be deemed to impair or limit the powers of the House of Representatives with respect to impeachment.

**Rule 4702. Same; Select Committee.** The Speaker may appoint a select committee comprised only of members of the House of Representatives, and appoint its chairperson, to inquire into any impeachment matter. Any such committee may be appointed at any time and shall meet at the call of its chairperson or at the direction of the House, with the numbers of such appointees being minority party members and majority party members in the same proportion as for the entire House membership.

**Rule 4703. Same; Reference.** The Speaker may refer any impeachment inquiry or other impeachment matter to any standing committee or any select committee appointed under Rule 4702, and any committee to which such a referral has been made shall meet on the call of its chairperson.

**Rule 4704. Same; Report.** Whenever a report is made by a committee to which an impeachment inquiry or other impeachment matter has been referred, the report thereon shall be made to the full House of Representatives, except that any such report may be submitted preliminarily to the Speaker.

**Rule 4705. Same; Call into Session.** The Speaker or a majority of the members then elected (or appointed) and qualified of the House of Representatives may call the House of Representatives into session at any time to consider any impeachment matter.

**Rule 4706. Same; Procedure.** The Speaker and any officer or committee acting under authority of this rule may follow any statutory procedure to the extent the same is not in conflict with the provisions of this rule, but nothing in this rule nor in any statute shall be