

CONTINUATION SHEET

MINUTES OF THE HOUSE TOURISM COMMITTEE, Room 522--S Statehouse, at 1:30 p.m. on February 2, 1997.

Approved: March 26, 1998
Date

MINUTES OF THE HOUSE TOURISM COMMITTEE.

The meeting was called to order by Chairperson Barbara P. Allen at 1:30 p.m. on February 2, 1998 in Room 522-S-of the Capitol.

All members were present except: Representative Adkins - excused
Representative Benlon - excused
Representative O'Neal - excused
Representative Osborne - excused
Representative Presta - excused
Representative Toelkes - excused

Committee staff present: Tom Severn, Legislative Research Department
Mark Burenheide, Legislative Research Department
Renaë Jefferies, Revisor of Statutes
Nancy Kirkwood, Committee Secretary

Conferees appearing before the committee: Secretary of Commerce; Lt. Governor Gary Sherrer

Others attending: See attached list

Chairperson Allen recognized Secretary Sherrer to give his comments regarding the Tourism Strategy for Kansas by Young Nichols Gilstrap, Inc. The committee previously heard Doug Young give a presentation on the Tourism Strategic Plan for Kansas.

Secretary Sherrer stated the feasibility study for the development of the Hall of American Heroes should not be a primary strategy at this point. An attraction of this magnitude would be very, very long term. Attraction development is the strongest of the recommendations. Secretary Sherrer is recommending by executive order the Governor appoint an Eisenhower commission for the purpose of determining how we can best support the facility, and the heritage of Dwight D. Eisenhower as part of this state.

The number one focus coming out of this report is how we get more money invested in the upgrading of our attractions. The second level of attraction that deserves attention is our smaller community attractions. This could be one of the best economic development activities they have had in a number of years. One of the real challenges of the small attractions in Kansas is that it is very difficult in small communities to get the expertise in small markets to develop strategic marketing and strategic plans for that marketing. The people in these communities care about their attractions, but they don't have any corporation to go to for funding. KDOCH is looking at some small grants for these communities to be able to get some strategic planning and architectural work funded. Tourism now is a legitimate economic development activity in smaller rural Kansas.

Chairperson Allen brought the committee's attention to taking action on **HB 2594 - sales tax exemption for movie and television production companies. Rep. Beggs moved the committee table HB 2593, with a second by Rep. Wempe. The motion carried.**

Chairperson Allen informed the committee it would be discussing and possibly taking action on **HB 2593 - establishing the travel and tourism development supplemental revenue fund,** on Wednesday.

A letter was passed out to committee from Norine Kruse, Director of Tourism and Film and Vicky Henley, Film Services Manager, regarding **HB 2594**, sales tax exemption. The hearing on **HB 2594** was held January 29th (**Attachment 1**)

The next meeting is scheduled for February 4, 1998.

HOUSE TOURISM COMMITTEE GUEST LIST

DATE: Monday Feb 2, 1998

NAME	REPRESENTING
Marine Kruse	KDOC & H
Diane Myer	Concerned Zedizes
Marge Bradshaw	Inheritor person
Alex A. Kotogantz	Junction City, Convention visitors & Bureau
Chad Luce	KDWP
John Rolfe	KOOCH

KANSAS
DEPARTMENT OF COMMERCE & HOUSING

January 30, 1998



Representative Barbara Allen
Room 174-W, State Capitol Building
Topeka, KS 66612

Bill Graves, Governor
Gary Sherrer, Lt. Governor / Secretary

Dear Representative Allen:

We are concerned that some misunderstanding might have developed on the basis of the testimony given yesterday (Thursday, Jan. 29) in the House Tourism Committee regarding House Bill 2594, sales tax exemption for film.

We would like to clarify that we support an incentive for film production that allows us to negotiate directly with each project, as our FY98 tax reimbursement does, and a tax exemption does not. The reimbursement allows us to have a budget dedicated to this purpose and facilitates our oversight and tracking of the incentive.

House Bill 2594 would not allow our staff to "sit across the table" with the film production company, as the tax reimbursement now does. A tax exemption allows for very little oversight or control, whereas with a reimbursement we can review each expense item for eligibility.

We would also like to clarify the statement that the Department of Revenue would find it easier to administer a tax exemption rather than a tax reimbursement. That may be true for the Department of Revenue, but please understand that if a reimbursement program is managed by Commerce & Housing, as it is this year, there will be no impact whatsoever on Revenue.

We felt this clarification might be helpful to your committee.

Sincerely,

Handwritten signature of Norine Kruse in cursive.

Norine Kruse, Tourism & Film Director

Handwritten signature of Vicky Henley in cursive.

Vicky Henley, Film Services Manager

Cc: Lt.Gov./Secretary Gary Sherrer
Jack Wright, Film Commission Chairperson

House Tourism
02-02-98
Attachment 1

TRAVEL & TOURISM DIVISION