

MINUTES OF THE HOUSE COMMITTEE ON TOURISM.

The meeting was called to order by Chairperson Carol E. Beggs at 3:37 p.m. on February 14, 2001 in Room 522-S of the Capitol.

All members were present except: Rep. Broderick Henderson - excused
Rep. Bill Levinson - excused

Committee staff present: Renae Jefferies - Revisor
Hank Avila - Research
Carol Doel - Committee Secretary

Conferees appearing before the committee: Jim Aller - Kansas Outfitters Assn.
Clint Riley - Wildlife and Parks Department
Jean Barbee - TIAK
Mary Lou McPhail - Department of Commerce & Housing
Ron Hein - Kansas Restaurant & Hospitality Assn.
Joni Noe - Wamego Convention Bureau

Others attending: See attached list

Chairman Beggs called the meeting to order at 3:37 p.m.

HB 2098 Re-referred to Tourism on General Orders**Commercial guide services; permits requirements; reports of disposition of prosecutions.**

Mr. Jim Aller of the Kansas Outfitters Association appeared before the committee as a proponent. The first issue is the removal of provisional guides in Kansas. It is also felt that any guide should have first aid, CPR, a hunter safety course as well as a valid hunting license. This bill would close the loophole in our laws without any inconvenience to any legal guide or outfitter in the state. They also are in favor of background checks and refusal of guide permits if there is a violation by an outfitter/guide in any other states as well as our own. (Attachment 1)

Chairman Beggs asked for a motion to remove the amendment made and get back to the original bill. Representative Aday made the motion to remove the change on page 7, lines 9 through 12 ("Provisional guide" means a person who, during the calendar year, performs commercial guide services for 10 or fewer days and receives \$1,500 or less for such services, as determined in accordance with rules and regulations of the secretary) and it was seconded by Representative Mason.

Representative Ballou made a substitute motion that we strike all amendments page 7, lines 5 through 12; line 27; page 8, line 40 provisional guide be stricken; page 9, lines 2, 5, 9 and 10 be stricken; strike provisional guide, line 3; strike the word guide, line 6; the word guide be stricken, line 8; provisional guide be stricken, line 19.

Representative Beggs asked Representative McClure if she had a simplified conclusion for this situation. Representative McClure made a motion to go back to the bill form as it left committee and to the "a" amendment separately. This was seconded by Representative Campbell. The motion carried.

There was additional discussion by members of the committee with explanations by Mr. Clint Riley of the Wild Life and Parks Department. (Attachment 2)

Representative Aday moved that we make a technical amendment, page 9, line 23 changing it to read *been convicted of a felon.* Representative Ballou seconded the motion. Motion carried.

CONTINUATION SHEET

MINUTES OF THE HOUSE TOURISM COMMITTEE, Room 522-S Statehouse, at 3:37 p.m. on February 14, 2001

Representative Ballou made a motion to table the bill. This was seconded by Representative Palmer. Motion failed to carry with a tied vote of 6 in favor and 6 opposed.

Representative Aday made a motion that we pass the bill out favorably as amended. The motion was seconded by Representative Loganbill.

Further discussion was requested by committee members and granted by Chairman Beggs.

Representative Ballou made a substitute motion that the bill be tabled until Monday, February 19th at 3:30 p.m. Representative Long seconded the motion. Motion carried.

HB 2014 Kansas tourism advertising fund

Jean Barbee addressed the committee as a proponent. **HB 2414** establishes a line-item for advertising for the Division of Travel & Tourism, establishes a formula for funding that line-item with growth from tourism related sales tax collections, creates no new tax burden, provides that the major amount of growth in the tourism related collections goes to the State General Fund. (Attachment 3)

Mary Lou McPhail of the Kansas Department of Commerce & Housing, Division of Travel and Tourism next addressed the committee. Mrs. McPhail stated that the Secretary of Commerce and Housing appreciated the support of TIAK, however he finds it impossible to support earmarking of general fund dollars for special purposes. (Attachment 4)

Addressing the committee as a proponent of **HB 2414** was Mr. Ron Hein of the Kansas Restaurant and Hospitality Association believing that moneys spent to advertise Kansas tourism will generate revenues for businesses in Kansas. (Attachment 5)

GUEST SPEAKER

Joni Noe, Director of the Wamego Chamber of Commerce spoke to the committee sharing ideas and thoughts regarding promoting tourism in Kansas. (Attachment 6)

ANNOUNCEMENTS: The next meeting will be on Monday, February 19, 2001 at 3:30.

Chairman Beggs adjourned the meeting at 4:48 p.m.

HOUSE BILL 2098

Ladies and Gentleman,

My name is Jim Aller, current secretary of the Kansas Outfitters Association (KOA). I also own and manage Wolf River Outfitters LLC located in Hiawatha, Kansas. I have been guiding and outfitting in Kansas in for 7 years. I am representing the KOA on this matter of House Bill 2098. We wish to be shown as in favor of supporting this bill as written by the Kansas Dept. of Wildlife and Parks. This bill was started by the KOA to help relieve some of the problems that have occurred in the outfitting business in Kansas due to what some people have thought to be a lucrative income with little investments of their time or money. This has brought about many negative comments with the honest and hard-working guides and outfitters of Kansas. This is not what the KOA wants or what the Ks. Dept. of Wildlife and Parks would want for the reputation of Kansas hunting.

The first thing we wish to address is the removal of provisional guides in Kansas. Many outfitters have been using this loophole to skirt the law for self-gain due to not needing to insure more guides, not needing to pay for more guide fees, and for many non-resident outfitters the inconvenience of taking the time and expense to make their guides legal. It is hard for the law enforcement people to enforce violations when it is very difficult to show how many days a person has been guiding when they don't have to file guide reports with the KDW & P. We feel it shouldn't matter whether a person is guiding for a day or 365 days a year on whether they should have a guides permit. First of all, we all are required to have first aid, cpr, and pass a test to certify ourselves as legal guides in Kansas. This is in part to keep safety in hand as hunting is done with either bows, pistols, rifles and etc. These are dangerous weapons which people should be trained for all the possibilities which might occur in the field. It is also to assure that all laws are learned and adhered to by the hunters. We also must have a valid hunting license and hunter education course completed. Why should anyone guide for any amount of money for a commercial business and not have these credentials? There is no valid reason to not be in support of this bill. As written, a person could still guide for an educational or not-for-profit event without a guide's license. This would not affect events such as the Governor's One Shot Turkey Hunt. It also will not restrain individuals from taking out a buddy or acquaintance for a hunt. It will not hurt the guide industry in Kansas either. In fact, it would solidify the quality of guides and outfitters in our state. Why should a business or an illegal person or persons be able to make a profit in our state because of a loophole in our laws? This bill would close this loophole without any inconvenience to any legal guide or outfitter in the state. Many dollars leave this state to non-resident outfitters and guides without any money staying in the state. The legal guides and outfitters pay taxes in the state for their services as well as for the many products which they purchase. Please support this new bill as it is in the best interests of the hunting industry in Kansas.

The second portion we approve of is the background checks, and the refusal of guide permits if there is a violation by an outfitter/guide in any other state as well as our own. This would get rid of a number of outfitters/guides who have lost permits in one or more states but are still able to guide in Kansas as it now stands. Many of you are aware of problems which have occurred in our state already from these individuals. Not only are they taking advantage of people's money and dreams, they are tarnishing the reputation of legal outfitters/guides in our state. The KOA fields many complaints from people who have been taken advantage of from unscrupulous outfitters/guides who have violations in other states. This bill would put more teeth in the KDWP's law enforcement methods. Our hopes are that eventually the multi-state game compact law can be developed in Kansas and we can join the increasing number of states which are members of it already. Please support this and help make Kansas a state with a strong guide industry of high standards.

Once again, please support this bill as initially written. The KOA is in support of House Bill 2098. If I can answer any questions for you I will do my best to do so.

Thanks, Jim Aller
Secretary, Kansas Outfitters Association



STATE OF KANSAS
DEPARTMENT OF WILDLIFE & PARKS

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HOUSE BILL NO. 2098

**Testimony Provided to
House Committee on Tourism
February 14, 2001**

The Kansas Department of Wildlife and Parks offers this testimony on HB 2098 as a supplement to the testimony provided the House Committee on Tourism dated January 29, 2001, to address the bill as amended by the House Committee as a Whole.

The department opposes the amendments made on the House floor, and if the bill continues to exist in that form, the department would oppose passage of HB 2098. As originally introduced, HB 2098 addressed a number of issues that have arisen over the past few years concerning commercial hunting and fishing guides. The department believes that version of the bill would help ensure that persons operating as commercial guides meet necessary requirements and provide quality service to hunters and anglers. However, the department believes the House floor amendment would sufficiently impair those efforts as to make approval of the other provisions in the bill relatively immaterial.

As proposed, HB 2098 eliminated provisional guides, and redefined requirements so that only commercial guide businesses would be subject to regulation by the department. As we have consistently testified, the department is not interested in regulating individuals who are not guiding as part of a business, but we do believe individuals who are conducting a guide business should meet basic requirements, regardless of the size of the business.

The House floor amendment not only reinstates provisional guides, but increases the qualifying caps to 10 days and \$1500 dollars earned during a calendar year. This amendment not only would require the department to continue regulating provisional guides (including those people who do not think of themselves as guiding, and therefore currently violate the law by not registering), but the amendment also increases the available loophole for those who are conducting a business but do not wish to obtain the necessary permit.

The department believes much of the opposition to HB 2098, concerning elimination of provisional guides, has stemmed from misunderstanding of the bill's impacts. To clarify some points of confusion, under HB 2098 as originally introduced:

- Landowners and tenants would continue to be exempt from permitting requirements, whenever guiding on their own land.
- Someone providing guide services to friends or family, but not as part of a guide business, would be totally free from any requirements. In contrast, if provisional guides

House Tourism Committee
February 14, 2001
Attachment 2

are retained. they would be required to register with the department and could be subject to prosecution if they failed to do so.

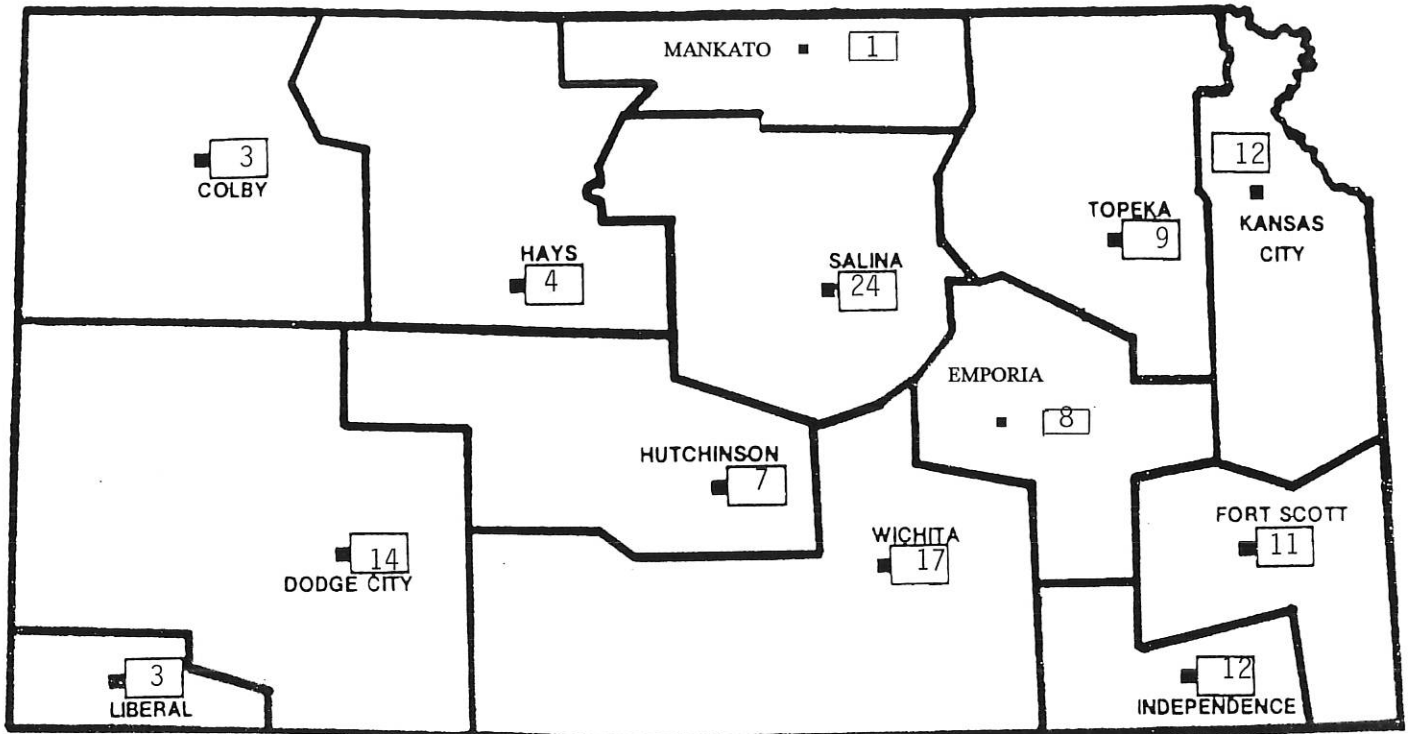
- Only actual commercial guide businesses would be required to obtain a permit, and the bill adds language to create a common-sense definition of whether someone is conducting a business.
- The department can't efficiently "crack down" on people who illegally claim to be provisional guides, because even if we show they are running a guide business, we can't require that they obtain a permit unless we catch them guiding more than a certain number of days or can prove that they received over a certain amount of payment.

We have previously provided information showing that, of the states that require commercial guides to obtain a permit, none of those states allow an exemption just because someone guides only a certain number of days or receives only a certain amount of money. In all of those states, if a person decides to guide commercially, they are required to obtain the permit regardless of how much guiding they expect to do.

The committee also has heard fears that if provisional guides were prohibited, there would not be sufficient guides available in southwest Kansas, and local economies could be negatively affected. We have sorted resident guides by home zip code, and an attached map shows that this fear is not proven by the data.

In summary, we believe that continuing the use of provisional guides creates unnecessary regulation for individuals who are not really in the commercial guide business, but allows a loophole for individuals who would otherwise be subject to regulation as true commercial businesses. If the committee does wish to continue provisional guides, our department would request that the House floor amendment be further amended to revert to the current provisional guide caps of 5 days and \$500, and that the other provisions in the bill be approved. Otherwise, we believe that HB 2098 as amended on the House floor is a step backward, and we would oppose its passage.

DISTRIBUTION OF KANSAS GUIDES BY ZIP CODE AREA



- Includes resident Commercial Guides permitted for 2000
- Reflects home address provided to KDWP, and does not necessarily reflect area where guiding is conducted
- Does not include nonresident Commercial Guides
- Does not include Associate Guides



**Travel
Industry
Association of
Kansas**

**300 SW Eighth – 3rd Floor
Topeka, KS 66603**

785-233-9465

TESTIMONY

DATE: February 14, 2001
TO: House Tourism Committee
FROM: Jean Barbee, Executive Director
RE: Advertising Fund for Division of Travel & Tourism
(HB-2414)

Mr. Chairman and members of the committee, my name is Jean Barbee and I represent the Travel Industry Association of Kansas. That organization is made up primarily of convention and visitors bureaus, attractions and tourist services. The major expertise of TIAK members is in marketing and promotion, with lesser emphasis on product development and services. We do, however, work closely with other entities that are more focused on these 'legs' of the tripod, i.e. those who develop products and deliver services to Kansas visitors. In some instances these entities may be private developers while in others they may be public agencies.

HB-2414:

- Establishes a line-item for advertising for the Division of Travel & Tourism
 - Establishes a formula for funding that line-item with growth from tourism related sales tax collections
 - Creates no new tax burden
 - Provides that the major amount of growth in the tourism related collections goes to the State General Fund
- You know that Kansas ranks 49th in State Travel Office Advertising budgets.
- You have heard the Vision 21st Century Task Force recommendation to "raise the budgetary priority of tourism to be consistent with the strategic plan on tourism initiated by the Kansas Department of Commerce and Housing."

House Tourism Committee
February 14, 2001
Attachment 3

- You have each received a copy of that strategic plan in the packet distributed to you by the Division of Travel & Tourism.
- You have also received a copy of the division's 1999 Advertising Effectiveness Study. That study shows a return on investment of \$52 to \$1. For each of the nearly \$500,000 spent by the division last year, the state realized an economic impact of \$26,150,000.

We now have the sales tax collections for FY-2000 broken down by SIC code. These are the standard industrial classification codes identified as those that are tourism related. House Bill 2414 only lists four of those codes, the ones that represent eating and drinking places, hotels & motels, campgrounds and other lodging facilities.

On the revised spreadsheet, I have shown the growth amount in these funds, the growth percentage, the 3% growth amount that will always remain in the State General Fund, the excess growth amount and the 50% of excess growth amount designated by this bill for advertising.

We believe this is a rational and reasonable plan. Based on these most recent figures, it does not generate the \$2 to \$3 million we believe we need for advertising. But it is a reasonable start and better than we have been doing while reliant upon the lottery budgeting process of past years. We would have always been grateful, and still would be grateful, for additional lottery funds within the division.

The things we like most about this plan are that it:

- is performance driven
- provides accountability
- fluctuates appropriately with the economy

We just have not seen or heard of another plan we believe to be of equal merit. We respectfully request your favorable action on this bill.

5. The Impact of Tourism on Economic Development for the Next Decade

That Governor Graves raise the budgetary priority of tourism to be consistent with the strategic plan on tourism initiated by the Kansas Department of Commerce and Housing.

Rationale for Recommendation 5:

Economic development in Kansas should focus on developing and realizing the potential of its tourism industry. Kansas ranks last among all states in tourism advertising and should increase its funding for tourism. At the same time, the state should undertake a thorough evaluation of the way various state and local tourism-related agencies spend available monies.

Tourism is an untapped industry in the State of Kansas. Tourism not only creates revenues from tourists visiting the state but also has the potential to bring people and business into the state. State tourism agencies have done the best they can with minimum resources. As a result, the state of Kansas does not rank last among all states in tourism to the state. However, it is difficult for Kansas to compete with surrounding states that have significantly larger tourism budgets. The minimal advertising that has been done for Kansas has proven that there is interest in visiting Kansas for its historical and aesthetic value. By increasing funding for tourism, the revenues and benefits generated from tourism will more than surpass the minimal costs being spent on attracting people to the state.

As part of the state's effort to increase tourism, the state should further evaluate how monies are being spent both locally and at the state level for tourism. It may be that local and state entities are paying for the same types of tourism-related tasks. If they could work together to provide the best strategies for increasing tourism, then state and local governments might be able to better use current available funding. However, this does not replace the need to increase funding for tourism within the state.

The state should give higher priority to the funding of public/private recreational enhancements. By combining the resources of private and public sectors, the quality and attractiveness of recreational facilities in the state will increase significantly. In addition, private industry might share some of the cost burden to develop new recreational facilities. One such example of this private/public partnership is the development of a resort by private entities on Clinton State Lake. Such partnerships should enhance the image of recreational facilities, increase tourism, and increase economic development to the state.

Closely related to tourism is parks and recreation. Funding for parks and recreation is also considerably lower than most surrounding states. The state agencies responsible for parks and recreation have difficulty competing with larger budgets from surrounding states. If the state increased funding for the Kansas Department of Parks and Wildlife, a rise in tourism would most likely result from an increase in valued attractions to the state. The department does not have sufficient resources to market its product to those inside and outside the state.

CONCLUSION

The State of Kansas must be proactive in the improvement of economic opportunity for its citizens and businesses. Economic development is an endeavor in which there is much competition: from other nations, other states, and within our own state. We as Kansans need to understand the environment in which we compete, and maintain a level of commitment that will keep our state a viable alternative for businesses and workers that consider relocation or expansion. We must continue to support our local businesses and their growth. Further, we must foster the development of new enterprises and provide opportunity for their success.

1999-2000 Advertising Budget

Rank	State	Budget
1	New Mexico	13,107,500
2	Florida	10,368,165
3	New Hampshire	928,2800
4	Texas	8,555,000
5	New York	7,680,000
6	Illinois	7,507,600
7	Pennsylvania	7,000,000
8	Wisconsin	6,100,000
9	Missouri	5,735,000
10	Louisiana	4,897,900
11	Arkansas	4,743,271
12	Michigan	3,527,501
13	Tennessee	3,446,442
14	Oklahoma	3,165,085
15	Arizona	3,100,000
16	Maryland	3,059,328
17	Mississippi	2,971,168
18	New Jersey	2,900,000
19	North Carolina	2,800,000
20	West Virginia	2,695,746
21	Kentucky	2,624,000
22	Massachusetts	2,585,028
23	Montana	2,296,588
24	Iowa	2,250,000
25	Minnesota	2,200,000
26	South Carolina	2,143,281
27	South Dakota	1,996,000
28	Connecticut	1,554,000
29	Utah	1,490,000
30	Wyoming	1,389,037
31	Idaho	1,250,037
32	Alabama	1,200,000
33	Alaska	1,181,144
34	Nevada	1,084,243
35	Georgia	1,044,000
36	Maine	1,000,000
37	Rhode Island	805,000
38	Indiana	770,000
39	Nebraska	731,000
40	Oregon	675,000
41	North Dakota	567,971
42	Washington	557,263
43	Vermont	541,062
44	Kansas	520,000
45	Delaware	100,000
The following states did not report		
46	California	0
47	Colorado	0
48	Hawaii	0
49	Ohio	0
50	Virginia	0

*Data was taken from the 1999-2000 Survey of U.S. State and Territory Tourism Offices, compiled by National Councils Department Travel Industry Association of America

KANSAS TOURISM STRATEGY

I. EXECUTIVE SUMMARY

In an era of rapidly escalating competition for tourism spending, Kansas faces both strong regional competitors and growing customer sophistication. As a result, tourism leaders have concluded that the State could not compete effectively by simply improving short-term operating tactics.

In order to address this situation, Young Nichols Gilstrap, Inc. ("YNG") was engaged by the Kansas Department of Commerce & Housing ("KDOC&H") in September of 1997 to develop a long-term strategic plan for the Kansas tourism industry. YNG was directed to provide an objective assessment of the current tourism environment and to follow a detailed scope of work outlined by the Tourism Division.

YNG's strategic planning recommendations detailed in this report focus on creating long-term competitive advantage for the Kansas tourism industry. An effective tourism strategy will ideally create additional positive impact for many of the State's other economic development efforts.

YNG's methodology (see Appendix I) began with an evaluation of the state's strengths, weaknesses, opportunities and threats ("SWOT"). After extensive interviews, SWOT surveys, site visits and a review of past studies and market research, YNG concluded that:

1. The tourism industry is ready to support an effective strategy. Our interviews showed that one of the Kansas tourism industry's greatest strengths is its dedicated and knowledgeable tourism marketers and managers. However, many of these professionals believe Kansas has failed to achieve its tourism-related economic development potential and are ready to support an effective, market-driven strategy.
2. The industry is making positive progress in developing increasingly competitive tourism attractions or products. Examples of new or expanded attractions that are being developed or proposed include:
 - ❖ A new NASCAR facility in Kansas City
 - ❖ The proposed Wonderful World of Oz development

- ❖ The Salina-area Rolling Hills Refuge
- ❖ The National Park Service's Z-Bar Ranch
- ❖ Expansions of the Kansas Cosmosphere, Sternberg Museum and Old Cowtown
- ❖ Wichita's Exploration Place

3. Kansas is in a strategy trap. Despite the progress described above, Kansas tourism is in a vicious circle or strategy trap. As we describe below, lower value visitors tend to generate lower value amenities and attractions which, in turn, make it more difficult to attract higher value visitors.

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Economic Impact & Gross Revenue

At this point, all the various numbers and calculations can be brought together to discern the economic impact generated as a result of the 1999 advertising campaign. Using the gross conversion rate, the campaign generated over \$26 million. This translates into \$52.94 return on each dollar spent in the advertising effort.

Gross Conversion & Economic Impact	
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Number of Leads	119,109
X Conversion Rate	37.0%
Total Households Traveling	44,070.33
X Average Number Trips per Households	1.72
Total Trips Generated	75,800.97
X Average Expenditure Per Trip	\$345
Economic Impact	\$26,151,334.65
Cost of the program	\$494,018
Return on Investment	\$52.94

Kansas Department of Revenue
Office of Policy and Research
State Sales Tax Collections for Tourism Related SIC Codes
Fiscal Year 2000

SIC Code and Description	Fiscal Year 2000 Collections
5812 Eating Places	\$ 96,051,568.12
5813 Drinking Places	\$ 15,460,879.47
581 Subtotal - Eating and Drinking Places	\$ 111,512,447.59
7011 Hotels & Motels	\$ 16,890,932.89
7033 Trailering Parks and Camp Sites	\$ 36,864.81
Other Parks, Membership hotels	\$ 3,363,288.79
70 Subtotal - Hotels and Other Lodging Places	\$ 20,091,086.29
7922 Theatrical producers and services	\$ 388,740.62
7929 Entertainers & entertainment groups	\$ 101,332.27
792 Subtotal - Theatrical Producers, Bands, Orchestras & Entertainers	\$ 490,072.89
7941 Sports clubs, managers & Promoters	\$ 636,759.29
7948 Racing, including track operations	\$ 268,870.19
794 Subtotal - Commercial Sports	\$ 905,429.48
7991 Physical fitness facilities	\$ 902,199.78
7992 Public Golf courses	\$ 799,963.80
7993 Coin-operated amusement devices	\$ 851,816.91
7998 Amusement parks	\$ 137,809.45
7997 Membership sports & recreation clubs	\$ 5,979,958.95
7999 Amusement and recreation, nec	\$ 1,718,922.19
799 Subtotal - Amusement & Recreation Services	\$ 10,390,671.08
8412 Museums and Art Galleries	\$ 200,172.63
8422 Botanical and Zoological Gardens	\$ 138,284.07
84 Subtotal - Museums & Gardens	\$ 338,456.70
Tourism Subtotal	\$ 143,728,164.03
Statewide Total - FY 2000 All Collections	\$1,541,846,571.96

GROWTH IN TOURISM RELATED SALES TAX COLLECTIONS

Fiscal Year	Eating & Drinking Places 5812 and 5813	Hotels, Motels, & Recreational Vehicle and Camp Sites 7011 and 7033	SUBTOTAL COLLECTIONS	GROWTH AMOUNT	GROWTH PERCENTAGE	3% GROWTH AMOUNT	EXCESS of 3% GROWTH AMOUNT
FY95	\$84,705,575	\$13,779,112	\$98,484,687				
FY96	\$91,444,925	\$15,426,673	\$106,871,598	\$8,386,911	8.52%	\$2,954,541	\$5,432,370
FY97	\$95,205,842	\$15,904,572	\$111,110,414	\$4,238,816	3.97%	\$3,206,148	\$1,032,668
FY98	\$101,821,783	\$16,521,482	\$118,343,265	\$7,232,851	6.51%	\$3,333,312	\$3,899,539
FY99	\$107,520,079	\$18,214,910	\$125,734,989	\$7,391,724	6.25%	\$3,550,298	\$3,841,426
FY2000	\$111,512,447	\$20,091,086	\$131,603,533	\$5,868,544	4.67%	\$3,772,050	\$2,096,494

50% of EXCESS GROWTH
\$2,716,185
\$516,334
\$1,949,769
\$1,920,713
\$1,048,247

House Committee on Tourism

**Testimony of the
Kansas Department of Commerce & Housing
Division of Travel and Tourism
Mary Lou McPhail**

February 14, 2001

HB 2414

Good afternoon, Mr. Chairman, and members of the House Committee on Tourism. My name is Mary Lou McPhail, and I am the Director of the Kansas Department of Commerce and Housing, Travel and Tourism Division. I have been with the tourism division for over twelve years and am here to offer testimony on HB 2414.

First, we would like to applaud the travel industry for this attempt to increase our advertising dollars. TIAK has been an effective partner in many of our efforts and they serve the industry well. And there is no question that increased advertising dollars would bring economic benefit to the state.

However, the Secretary does not feel it is good public policy to set in place a formula for financing tourism advertising. This allows the available dollars to dictate the plan for advertising, and it circumvents the ordering of priorities that is inherent in the appropriations process. In any given year, the Secretary of Commerce and Housing may find that opportunities for expanding international trade initiatives or pursuing agricultural marketing projects are at least equal in importance to increased tourism. I can assure you that the Secretary recognizes the need for additional advertising dollars to support tourism. And he believes TIAK has been a tremendous asset to this State and our Department. I know how much he appreciates the support offered by the tourism industry, but the Secretary finds it impossible to support earmarking of general fund dollars for special purposes.

I will be happy to answer any questions you might have.

HEIN AND WEIR, CHARTERED

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**Testimony Re: HB 2414
House Tourism Committee
Presented by Ronald R. Hein
on behalf of
Kansas Restaurant and Hospitality Association
February 14, 2001**

Mr. Chairman, Members of the Committee:

My name is Ron Hein, and I am legislative counsel for the Kansas Restaurant and Hospitality Association. The KRHA is the Kansas trade association for restaurant, hotel, lodging and hospitality businesses in Kansas..

KRHA supports HB 2414. Tourism is very important to our industry statewide.

We believe that moneys spent to advertise Kansas tourism opportunities will generate revenues for the businesses in Kansas, and, as a result, tax revenues for the state of Kansas and local units of government. We would even hope that the tax revenues generated by such advertising would more than exceed the tax revenues earmarked for such advertising expenditures.

Thank you very much for permitting me to testify, and I will be happy to yield to questions.

Committee on Tourism

**Testimony of
Wamego Convention/Visitors Bureau
Wamego Chamber of Commerce
Joni Noe**

February 14, 2001

Good afternoon, Mr. Chairman, and members of the Committee on Tourism. My name is Joni Noe and I am the Director of the Wamego Chamber of Commerce and ex-officio member of the Wamego Convention/Visitors Bureau. I have been in this position just over a year. In a year's time I have gained not only a sense of community but a sense of the reality of what Kansas is all about. As a Kansas native I grew up in the small town in northwest Kansas of Phillipsburg. It was there that I was raised in my family's grocery store never venturing out much. Last April I had the opportunity to attend the National Mainstreet Towne Meeting in Boston.....my second plane trip and my first time back east not to mention my first subway ride. As we walked through Boston my husband and I were "swallowed" up by the skyscrapers and surrounded by "all those people." One thing that stuck out in my mind was a park in the center of Boston. This park was the only open ground for miles and there were hundreds of people crammed into that small open space. We laughed as we commented about how they wouldn't know how to act in Kansas. I can't tell you how humbling it was to return to Kansas, the land of "Awes," to the open space where one can look from one horizon to the other, where one can enjoy countless sunsets and sunrises, and be rest assured there is quality of life.

Take a moment and think about what brings people to Kansas...we don't have the Grand Canyon

or the Rocky Mountains. We don't have the largest shopping mall in the world or the most inviting climate. According to the 1999 Advertising Effectiveness Study prepared by Nicholson-Reid Research Group the overall perception of Kansas as a travel destination was positive for the following reasons with 86% of the respondents stating that Kansas is rich in history, 80% stating Kansas has many historic sites and 78% indicating interest in outdoor recreation. When respondents were asked what images or impressions came to mind first when they thought of traveling in Kansas, images of the landscape were mentioned by 69%. Also 53% showed interest in activities such as visiting historic sites and quaint attractions or towns. Close behind were driving tours and scenic drives at 52%. The results of this study were based on the ad campaign inquiries, the Division's website, 1-800 directory assistance including local chambers and CVB's, newspaper articles, etc. and teacher/student packets. One third of the visitors (33%) indicated they stopped at one of the four interstate travel information centers. Most visits were made to cities located in northeast Kansas with the exception of Wichita. The typical respondent was 45 years old or older. The study also indicated that more than half the visitors were repeat visitors.

The ultimate goal is to increase the dollars flowing into the state due to tourism. The economic impact generated per dollar spent on marketing produced a \$53 return-on-investment based on gross conversion or a \$17 return to the state based on net conversion according to this 1999 market study. That's a pretty good return on investment and should send the message that tourism is economic development, that tourism is big business.

Wamego is a small town, population 5,000, a progressive community located 14 miles east of Manhattan and approximately 45 miles west of Topeka. Our Convention/Visitors Bureau operates as an entity of the city. Funding is obtained from transient guest taxes generated by our

two motels and two bed and breakfasts totalling approximately \$6,500 per year for operation. Of this total budget \$4,000 is spent on maintaining four billboards and limited advertising in various publications and brochures throughout the year. We are also members of TIAK and participate at a minimal level due to limited funds for workshops and travel. We also participate in the Kansas Sampler Foundation.

Wamego, like other small communities, has an abundance of volunteers who have a shared desire, enthusiasm and willingness to put forth time and effort when necessary.

Community involvement leads to emotional and individual investment and support of goals and projects. Some small communities are pulling together to promote regionally as evidenced by the Highway 24 Alliance and 100 Mile Coalition, all of them working on one or more aspects of tourism development and on a small budget.

Taking into consideration the statistics provided by the 1999 Advertising Effectiveness Study our committee has put together a physical inventory of existing and potential attractions in the immediate area specifically targeting the niche groups, target age group, including attractions and activities of interest such as: website development, historical farm museums, recreational trails, riverfront development, guided hunting trips, and gardens. Unfortunately due to limited resources we are unable to act on these potential attraction developments. Economic development activities in our county have been solely concentrated on industry. Our job is to get these visitors off the highway and entice them with what Kansas has to offer. Marketing is a key element in this endeavor. Indeed tourism is big business and we know the potential is there. The state needs to provide incentives to encourage local ownership and development of projects, to promote public-private partnerships when appropriate, to encourage formation of local investment groups and non-profits to develop attractions as well as city-county sponsorship of

projects. It is necessary to follow through with the recommendations by Young Nichols Gilstrap, Inc. as outlined in the 1998 Tourism Strategy Report by continuing to develop the niches which have proved to be a positive thing, by leveraging resources, and increasing the budget. I encourage you to keep these facts in mind as you make decisions related to tourism. Mr. Chairman and members of the committee I thank you for this opportunity to share public concerns.