

MINUTES OF THE HOUSE COMMITTEE ON TOURISM AND PARKS.

The meeting was called to order by Chairperson Becky Hutchins at 3:30 p.m. on February 12, 2003 in Room 243-N of the Capitol.

All members were present except: Representative Margaret Long - excused

Committee staff present: Mary Torrence, Revisor of Statutes' Office
Hank Avila, Legislative Research Department
Russell Mills, Legislative Research Department
Sarah Samuelson, Committee Secretary

Conferees appearing before the committee: Michael Pickering, Travel Industry Association of Kansas
Ron Hein, Kansas Restaurant and Hospitality Association

Others attending: see attached list

Chairperson Becky Hutchins welcomed the visitors from the Travel Industry Association of Kansas, and asked the visitors to introduce themselves. A sign-up sheet was passed around for touring the Czars exhibit on Wednesday, February 19; Chairperson Hutchins clarified that interns attending do not count towards a member's reported gifts.

HB 2083 - Establishment of fund for use to advertise tourism opportunities in Kansas, use of certain income and sales tax revenues.

Michael Pickering, representing the Travel Industry Association of Kansas, addressed the committee as a proponent of the bill (Attachment 1). He noted that Kansas ranks last among all states in tourism advertising. He also emphasized the effectiveness of advertising in generating revenue, and said that there is a 50 to 1 return on monies spent in advertising.

Representative O'Malley asked what the specific SIC codes in the bill represent; staff member Russell Mills replied as follows:

- 5812 eating places
- 5813 drinking places
- 7011 hotels, motels
- 7033 RV parks, campsites

Representative Kauffman asked whether this fund would be used to advertise specific tourist destinations, or the state as a whole. Mr. Pickering replied that the advertising would be general, but also highlighting certain specific attractions for target markets that would be interested. Advertising will be done all over the country, and in Europe. Every available medium (radio, TV, Internet, paper media) will be considered for use in tourism advertising.

Representative Ruff asked how much this proposal is likely to generate. Russell Mills replied that it would vary from year to year; if it had been in effect in 1999, the transfer of funds to the account would have been \$3.6 million; however, if it had been in effect in 2002, there would have been no transfer that year, since the 2002 receipts did not exceed the 2001 receipts by more than 3%.

Representative Peterson requested confirmation that the cost to the state would be very little, because the fund is a dedicated amount, based on increased revenue. This is correct; it is a win-win situation: it provides an incentive for the industry to produce more, because this will augment the advertising fund. Representative Peterson said that there should be freedom to use the money in whatever ways and whatever media is most effective. She commented on people's desire to vacation in a safe, secure place like Kansas, away from the coasts. Hunting and fishing are also draws, especially fishing.

Representative Beggs expressed the hope that the committee would not get bogged down in details, because the proposal is intended to establish a system by which advertising funds can be allocated. He said that any source of revenue is a positive thing, whether the revenue is predictable or irregular.