

MINUTES OF THE SENATE COMMERCE

The meeting was called to order by Chairman Karin Brownlee at 8:30 A.M. on January 13, 2005 in Room 123-S of the Capitol.

All Committee Members were present..

Committee staff present:

Kathie Sparks, Legislative Research  
Susan Kannarr, Legislative Research  
Helen Pedigo, Revisor of Status  
Jackie Lunn, Committee Secretary

Conferees appearing before the committee:

Harold Fricke, Department of Commerce  
Patty Clark, Department of Commerce

Others attending:

See Attached List.

Chairperson Brownlee opened the meeting by introducing Secretary Fricke and thanking him for appearing before the Senate Commerce Committee.

Secretary Fricke thanked the committee for the opportunity to present an overview of the Kansas Department of Commerce with an update of some of the activities engaged in at the Department of Commerce as well as what they have planned for the future. Secretary Fricke provided the committee a copy of his presentation, "Kansas Department of Commerce Overview of Agency Activities". (Attachment 1) Secretary Fricke stated that the mission statement of the Kansas Department of Commerce is to empower businesses and communities through bold leadership using strategic resources to realize prosperity in Kansas. The major strategic priorities of the Kansas Commerce Committee are biosciences, business recruitment and retention, enhanced state image, entrepreneurship, rural development and workforce development (Kansas First).

He stated that the Commerce EDIF programs created or retained 68,800 jobs from 2001 to 2004, which equates to 16,950 jobs per year. Workforce development incentives funded by EDIF helped train 11,400 workers annually between the years of 2001 and 2004. EDIF increased tourism visitation by 1.3 million people during that same time period. Changes associated with the Economic Growth Act and Workforce Development Merger comprise the most significant restructuring of economic development programs since 1986.

The first statewide agritourism conference was held in Great Bend this past summer with nearly 400 attendees. The Agritourism Promotion Act encourages this industry by creating a registration process through which Commerce can assist in the promotion of agritourism operations and limit liability through signage.

The Department of Commerce is working with local economic development agencies, KTEC and the new Bioscience Authority hoping to create over 20,000 bioscience-related jobs and 23,000 indirect jobs, to increase federal research expenditures by more than \$1 billion annually, to reduce the out migration of our highly educated students and to enhance economic prosperity in the state with the creation of higher-paying jobs.

The Department of Commerce is encouraging the redevelopment of downtown areas in rural and distressed urban communities by giving individuals and small businesses a rebate over a 10-year period of property taxes collected on properties that have undergone improvements. The governing body of a city or a county proposing to establish a redevelopment area will apply to the Department of Commerce to put this tool in action .

A new ad campaign to enhance state image began on January 7 with a series of television, radio and print ads via in-state medial outlets to introduce the branding concept and foster pride among Kansans. Tourism ads will run in regional target markets. The overall theme is that Kansas strives for big goals. Business

## CONTINUATION SHEET

MINUTES OF THE Senate Commerce at 8:30 A.M. on January 13, 2005 in Room 123-S of the Capitol.

development activities will relocate to and build upon the new image campaign. Secretary Fricke invited all the committee members to a luncheon hosted by the Department of Commerce and the Kansas Economic Development Alliance. At that luncheon they will be briefing on the new ad campaign.

A new State Center and the Community Entrepreneurship Fund has been established to ensure collaboration of resources for entrepreneurial assistance as well as accessibility to capital through a world-class system to support and grow entrepreneurs in Kansas. The Board of Directors held its first meeting at Wichita State University in December of 2004. Former Senator Wint Winters was selected as Chair of that board. A strong relationship with the WSU Center for Entrepreneurship is being developed to serve as the basis for a statewide entrepreneurship-training network.

The Department of Commerce is working closely with the Board of Regents, Local Workforce Investment Board, and other interested parties to create this new system. As of July 1, 2004 state and federal workforce training programs merged within Commerce to create a seamless, market-driven system that provides \$62 million in annual resource to job seekers and employers. Efforts are underway to ensure this new workforce development provides the greatest benefit to employers and job seekers in the most efficient way possible.

The Department of Commerce is making \$7 million available over 3 years to encourage individuals and businesses to invest in regional foundations in all seven economic development regions in Kansas. Agreements to operate the regional business development have been secured in all seven regions. Quarterly meetings will be held with all foundations to insure collaboration and cooperation among service providers.

We have drafted rules and regulations for STAR Bonds and they have been approved by the Department of Administration and are currently under review by the Attorney General's office. The current version covers proposed statutory changes adopted by the Joint Committee on Economic Development. Six communities have officially submitted requests to use STAR Bonds. Five have been deemed eligible projects and one is under review for eligibility.

Chairperson Brownlee thanked Secretary Fricke and stated it is obvious that legislation passed last year has become the focal point of the Department of Commerce .

During questions and answers it was determined that the Department of Commerce website for rules and guidelines for STAR Bonds has proved to be helpful with positive responses. Also discussed was what constitutes a tourist. The committee feels the Department should become stronger about the definition of tourist, giving the example that the national definition of tourist is someone who comes from 100 miles or more.

Chairperson Brownlee introduced Patty Clark Director Ag Marketing and Community Development Divisions of the Kansas Department of Commerce, and stated she would be giving an overview of Agritourism in the state.

Ms. Clark provided the committee with written testimony given by Janna Dunbar, the Agritourism Program Manager, before the Joint Committee On Administrative Rules and Regulations (Attachment 2) and also an Agritourism packet. (Attachment 3) With the implementation of **SB 334** the Department of Commerce has mailed out almost 1,000 Agritourism registration packets. To date they have registered 112 operations.

The Ag Marketing and Community Development Divisions of the Kansas Department of Commerce hosted two regional workshops last April, one in Emporia and one in Hays with over 150 attending.

The statewide Agritourism Conference, held in Great Bend in November provided a network opportunity for Agritourism operators that were already in business and those thinking about being in business. This has been a joint venture with the Ag Marketing Division and the Travel and Tourism Division of the Kansas Department of Commerce. Ms. Clark stated that they were also starting to roll in some of the new programs from the economic growth act as well as existing programs in community development. We gave retained Ms. Eckert, nationally known as the top Agritourism consultant in North America to guide our educational and marketing strategies and to conduct regional based workshops. We have created a new website ([www.kansasagritourism.com](http://www.kansasagritourism.com)) to post meetings , etc. We are also creating an email news letter to go out to

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our entire data base. We are working with the regions to help them develop regional marketing plans.

Chairman Brownlee had questions regarding the liability insurance and Ms. Clark stated that information was listed in the manual written by Jane Eckert and Diane Kline entitled "Growing Agritourism in Kansas". This is the manual was given out at the Conference held in Great Bend. Ms. Clark stated she would deliver copies to committee members.

Chairperson Brownlee requested to introduce a bill on fairness in private construction. Senator Jordan moved to introduce the bill. Senator Schodorf seconded. The motion carried.

The meeting was adjourned at 9:30 a.m. The next meeting will be at 8:30 a.m. on Tuesday, January 18, 2005 in room 123S.

# Senate Commerce Committee

## Guest List

Date: 1-13-05

Maree Carpenter	Kansas Chamber
Steve Kelly	Commerce
Howard Fricke	Commerce
Matt Jordan	Commerce
Dan Murray	Federico Consulting
ERIK WISNER	KDA
Cindee Stratton	Commerce
Patty Clark	Commerce
Dick Cantor	Manhattan Chamber
Wil Leiker	Ks. AFL-CIO
Kevin Barone	KTLA
Bernie Koch	Wichita Area Chamber
JEANNE Goodwin	City of Wichita
RANDY HODGKINS	WIA
P BIGGS	KSC
B HARMON	KSC
J BUTLER	KSC
Emily Watson	Sen. Allen
Genie Dominguez	Sen. Allen
Kevin Barone	KTLA
Maria Butler	KSC
Brenda Harmon	KSC
Patti Biggs	KSC
Danielle Wiant	Sen. Goodwin's intern
Mike Reecht	Hughes Braden



# Kansas Department of Commerce Overview of Agency Activities

Senate Commerce Committee  
January 13, 2005



# Mission

To empower businesses and communities through bold leadership using strategic resources to realize prosperity in Kansas.

# Strategic Priorities

Biosciences

Business Recruitment & Retention

Enhanced State Image

Entrepreneurship

Rural Development

Workforce Development (*Kansas 1<sup>st</sup>*)



# EDIF Performance Indicators

- Commerce EDIF programs created or retained 67,800 jobs from 2001 to 2004, which equates to 16,950 jobs per year.
- Expanded payroll in Kansas by \$1.1 billion over the last four years (worth more than \$290 million annually).
- Generated \$2.8 billion in capital investment, which equates to \$705 million each year.

# EDIF Performance Indicators

- Workforce development incentives funded by EDIF help train 11,400 workers annually (between 2001 and 2004).
- Increased tourism visitation by 1.3 million people between 2001 and 2004 (average of 335,000 visitors per year).
- Helped over 300 cities per year to strengthen their downtown districts and complete major community improvement projects.

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Attachment 1-5



# EDIF Resources

- In FY 2005, Commerce received \$19.2 million from EDIF.
- Incentives and services for businesses and communities account for 70% of EDIF expenditures.
- Personnel and internal operational expenses account for the remaining 30%.

# EDIF Resources

- Over the past five years, funding to Commerce programs reduced by \$3.2 million (a 14% decline).
- Since FY 2003, Commerce reduced the number of staff by 13% in traditional programs (Ag Marketing, Community Development, Trade Development, and Travel & Tourism).
- Direct financial assistance provided by the agency from EDIF reduced by \$997,000 (16%) since FY 2003 and \$1.7 million (26%) since FY 2001.

# Key Issues

- Changes associated with Economic Growth Act and Workforce Development Merger (ERO 31) comprise the most significant restructuring of economic development programs since 1986.
- Over the next decade, these initiatives will provide over \$550 million in new economic development incentives.
- As a result of ERO 31, Commerce experienced major restructuring of the agency, since July 2004, to support an increase of staffing from 108 FTE to 390 FTE and expansion of field operations from 5 offices to 30 offices.
- Efforts are underway to find more efficient ways to deliver services through this larger organization.

# Agritourism

- First-ever statewide conference was held in Great Bend involving nearly 400 attendees.
- Conference participants received “Growing Agritourism in Kansas: A Starter Manual for Farmers and Ranchers,” a comprehensive book written by a successful agritourism operator.
- The Agritourism Promotion Act encourages this industry by creating a registration process through which Commerce can assist in the promotion of agritourism operations and limit liability through signage.

# Biosciences

- Will create over 20,000 bioscience-related jobs and 23,000 indirect jobs, increase federal research expenditures by more than \$1 billion annually, reduce the out migration of our highly educated students, and enhance economic prosperity in the state with the creation of higher-paying jobs.
- Commerce is working with local economic development agencies, KTEC, and the new Bioscience Authority.
- Several prospects are already working through this new recruitment and expansion process.

# Biosciences

- Commerce is a partner with KTEC, Kansas Bio, and NISTAC in the Regional Bioscience Summits and the forthcoming Strategic Roadmap.
- Commerce is exploring ways to develop a comprehensive workforce development system that supports bioscience commercialization and research in urban and rural areas through its partnership with local workforce centers, community colleges, and technical schools.



# Downtown Redevelopment

- Encourage the redevelopment of downtown areas in rural and distressed urban communities.
- Governing body of a city or a county proposing to establish a redevelopment area will apply to the Department of Commerce to put this tool into action. Individuals and small businesses will receive a rebate over a 10-year period for property taxes collected on properties that have undergone improvements.
- Commerce is working through the rules and regulations process. Rules have been approved by the Department of Administration and are under review by the Office of Attorney General.

# Enhanced State Image

- Approximately \$1.7 million has been assembled by Commerce to fund an enhanced Brand Image Campaign.
- New campaign began on January 7 with a series of television, radio, and print ads via in-state media outlets to introduce the branding concept and foster pride among Kansans. The initial image campaign relies upon significant historical figures to support the overall theme that Kansans strive for big goals.
- Tourism ads will run in regional and national publications as well as selected regional target markets. Business development activities will relate to and build upon the new image campaign.
- A cooperative marketing program is being developed so regional and local partners may utilize brand image concepts and funding with their own tourism and business recruitment marketing efforts.

# Enterprise Facilitation

- Commerce staff convenes quarterly meetings with the five rural entrepreneurship development projects to foster ongoing communication and collaboration. The Quad County project added Wilson County and the Sunflower project plans to add Kingman and Comanche Counties. As of today, there are 27 counties served by the five projects.
- The five project areas serve a collective population of more than 175,000 Kansans. As of September 2004, the projects assisted 663 clients, created 64 businesses, retained 34 businesses, expanded 20 businesses.
- Leveraged \$312,043 in local investment with \$1.2 million in state investment to create or retain 302 jobs, at a cost of \$4,172 per job.

# Entrepreneurship

- Nearly \$50 million in tax credits will be available over the next ten years to help grow existing and start-up companies, which create new, high-quality jobs and expand our tax base.
- A new State Center and the Community Entrepreneurship Fund have been established to ensure collaboration of resources for entrepreneurial assistance as well as accessibility to capital through a world-class system to support and grow entrepreneurs in Kansas.
- It is estimated that this Center will generate \$17 million in business development resources within its first five (5) years of operations.

# Entrepreneurship

- Board of Directors held its first meeting at Wichita State University on December 16. A partnership with KC Source Link will allow the Center to save considerable time and money in development of new services.
- A strong relationship with the WSU Center for Entrepreneurship is being developed to serve as the basis for a statewide entrepreneurship-training network.
- Several efforts have been put forward to secure additional financial support for the Community Entrepreneurship Fund. The Kauffman and INK grant requests are still open.
- “Rural Entrepreneurship Committee” of more than 20 agencies is working collectively to support new programs, coordinate resources, and pursue joint grant applications.

# Kansas 1st

- Modernization of Workforce Development is a once-in-a-generation restructuring of training programs to create a seamless, market-driven system that is fully integrated and maximizes state resources.
- Commerce is working closely with the Board of Regents, Local Workforce Investment Boards, and other interested parties to create this new system.
- This initiative also develops a new trust fund to enable existing educational institutions to deliver coordinated programs and services addressing the needs of employers in Kansas.

# Kansas 1st

- As of July 1, 2004, state and federal workforce training programs merged within Commerce to create a seamless, market-driven system that provides \$62 million in annual resources to job seekers and employers.
- It is important to note that efforts are underway to ensure this new workforce development system provides the greatest benefit to employers and job seekers in the most efficient manner.

# Rural Business Tax Credits

- Makes \$7 million available over 3 years to encourage individuals and businesses to invest in regional foundations in all seven economic development regions in Kansas.
- This investment, worth \$14 million in cash donations, will provide capital for entrepreneurial efforts in rural communities, ensure regional determination for use of the funds, and encourage local investment in the region's economic future.
- Agreements to operate the regional business development foundations have been secured in all seven regions. Six of the seven agreements consist of partnerships among existing regional agencies and the seventh agreement, East Central/Kansas City area, consists of a new organizational structure led by the Ottawa Chamber of Commerce.



# Rural Business Tax Credits

- Quarterly meetings will be held with all foundations to ensure collaboration and cooperation among service providers. The first meeting was held in November and focused on the marketing and use of the tax credits for Board members of the regional foundations.
- The Kansas Health Foundation will serve as co-host of the second meeting in March for the regional foundations.
- Consultants from BoardSource (based in Washington, DC) will conduct an all-day interactive best practice workshop related to oversight, operational, and tax credit-marketing responsibilities. Each Board member will receive a Board Tool Kit resource guide as a part of their participation as well.

# STAR Bonds

- Draft rules and regulations have been approved by the Department of Administration and are currently under review by the Office of Attorney General.
- Current version covers proposed statutory changes adopted by the Joint Committee on Economic Development.
- Six communities have officially submitted requests to use STAR Bonds. Five have been deemed eligible projects. Manhattan's request for a Prairie Discovery Center is under review for eligibility.

# STAR Bonds

- The five projects designated as an eligible projects, which is the first of two phases required for approval, are:
  - Abilene, Redevelopment of Old Town Abilene
  - Edwardsville, Athletic Theme Tourism Attraction
  - Olathe, Arena and Retail District at 119th Street and Renner
  - Overland Park, High Pointe Destination Entertainment District and Event Center
  - Wichita, WaterWalk Redevelopment Area

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# STAR Bonds

- Olathe received contingent approval for the use of \$50,000,000 in STAR Bonds on September 15 for the Arena and Retail District at 119th Street and Renner. The Secretary established a deadline of January 15 to confirm compliance with the specified conditions for approval.
- Overland Park received contingent approval for the use of \$49,400,000 in STAR Bonds on December 29 for the High Pointe Destination Entertainment District and Event Center. The Secretary established a deadline of April 28 to confirm compliance with the specified conditions for approval.

**Senate Committee on Commerce**

**January 13, 2005**

**Testimony by:**

**Patty Clark, Director  
Ag Marketing and Community Development Divisions  
Kansas Department of Commerce**

Chairpersons Brownlee and Jordan, I am Patty Clark from the Kansas Department of Commerce and I want to thank you for the opportunity to provide an update on agritourism in Kansas.

Senate Bill 334 was passed by the 2004 Legislature and enacted July 1. Our agency has mailed close to 1,000 Agritourism registration packets, a sample of which is provided in your materials. We ensured the registration process served a dual purpose: First, to ensure the applicant qualified for the limited liability and tax credit provisions of the law; and second, to better market the operations and the growing agritourism industry to tourists. To date, we have registered 112 operations.

In early 2004, we created the Kansas Agritourism Council to act as an advisory committee to Commerce to help grow the industry. In April 2004, Commerce Travel and Tourism and Ag Marketing divisions hosted two regional one-day workshops in Emporia and Hays for existing operations. These workshops were attended by over 150 people.

We engaged the services of Jane Eckert, nationally known as the top agritourism consultant in North America, to guide our educational and marketing strategies and to conduct the workshops. Ms. Eckert also wrote the Kansas Agritourism Beginners Manual, of which over 600 have been distributed. I have provided copies for your review.

The culmination of our first year initiative was the first statewide Agritourism Conference, held in Great Bend in November. Over 400 people attended representing ag production, existing agritourism operations, tourism professionals, and representatives of the economic development community.

We are currently planning our second year initiative, which will address workshops for beginners as well as for the more advanced operators. With Ms. Eckert's assistance, we will create an e-mail newsletter published once a month and create a new website for agritourism operators - [www.kansasagritourism.com](http://www.kansasagritourism.com). We hope that the Council will be the precursor of a new Kansas Agritourism Association, and we will help scholarship as many as ten couples to attend the National Agritourism Conference in Austin, Texas.

Senate Commerce Committee

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Attachment 2-1

# Joint Committee On Administrative Rules and Regulations

**Kansas Department of Commerce  
Janna Dunbar, Agritourism Program Manager**

## **Testimony Regarding Agritourism Promotion Act SB 334**

**January 4, 2005**

Good morning, Chairman Umbarger and members of the Committee. I am Janna Dunbar, Agritourism Program Manager, Department of Commerce.

The Department of Commerce is promulgating proposed regulations pursuant to the Agritourism Promotion Act, SB 334.

SB 334 was enacted to address liability needs and the cost of insurance to agritourism operations. We are promulgating the following regulations to administer the registration of Agritourism businesses.

K.A.R. 110-12-1 provides definitions for terms used in the regulations. For example, "cost" refers to the tax credit against agritourism liability insurance and not against the whole farm liability insurance.

K.A.R. 110-12-2 outlines the registration procedure. The registration form incorporates all the Agritourism Acts requirements into one form. This form registers the operation, makes the operators eligible for the tax credit and allows Commerce to promote the operation on our [www.travelks.com](http://www.travelks.com) website. A single form minimizes the paperwork for the agritourism operator.

The Department of Commerce has identified 611 operations in the state. These operations have all received the registration packet. Of those 611 operations, 112 operations have registered. A total of 985 packets have been sent regarding the benefits of being a registered agritourism operation. The registration process was also promoted through three media releases, various radio and newspaper interviews and printed in 1500 agritourism starter manuals that were distributed at the statewide agritourism conference in November. The manuals were also distributed to each county Extension office and FFA chapter in the state.

K.A.R. 110-12-3 describes liability insurance and those costs qualifying for tax credits. Again, only those insurance costs associated with the agritourism operation are eligible for the tax credit.

K.A.R. 110-12-4 describes the procedure for tax credits. Registered Agritourism Operators are eligible to receive a 20% tax credit, up to \$2,000, to help offset the cost of their agritourism liability insurance. Each registered operation has received a certificate signed by

Senate Commerce Committee

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Secretary Howard Fricke which indicates the operation is registered. When filing for the tax credit, operators will send a copy of the certificate along with tax form K-33. Your packets have a copy of tax form K-33.

Sub section (b) of K.A.R. 110-12-4 provides that operators registrations shall be valid for five years. All registrations are kept on file with the Department of Commerce. Operators are able to renew their registrations after five years, however they are not eligible for the tax credit as per the statute.

K.A.R. 110-12-5, provides that agritourism operators must submit a new registration form if they change the agritourism activities they provide. For example, an operator of a corn maze may decide to add a pumpkin patch to their list of activities. They would need to submit a new registration for the new agritourism activity to the Department of Commerce to be covered by limited liability provisions of SB 334. New registration by Agritourism operators, also allows the Department of Commerce to provide more comprehensive marketing of their operation on our Commerce website.

K.A.R. 110-12-6, provides that each agritourism contract or agreement must provide the warning notices as provided by SB 334. The warning notice states that:

“Under Kansas law, there is no liability for an injury or death of a participant in a registered agritourism activity conducted at this registered agritourism location if such injury or death results from the inherent risks of such agritourism activity. Inherent risks of agritourism activities include, but shall not be limited to, the potential of you as a participant to act in a negligent manner that may contribute to your injury or death and the potential of another participant to act in a negligent manner that may contribute to personal injury or death. You are assuming the risk of participating in this registered agritourism activity.”

This warning notice must be prominently posted at the agritourism location as well as in any contract that involves guests to the operation.

The public hearing of these rules and regulations is scheduled for Tuesday, February 15, 2005 at 1:30 p.m. in the Curtis Building – Garden Level Conference Room.

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Attachment 2-3

110-12-1. Definitions. As used in these regulations and for purposes of administering the act, these terms shall have the following meanings:

(a) "Act" means the agritourism promotion act, L. 2004, ch. 97, § 1 through § 9, and amendments thereto.

(b) "Cost" means an expenditure directly related to insuring any agritourism activity.

(c) "Department" means the department of commerce.

(d) "Liability insurance" means a policy insuring against the following:

(1) Loss, expense, or liability by reason of bodily injury or death by accident, for which the insured could be liable or have assumed liability and loss; and

(2) damage to any goods on the premises of the insured, or the loss of or damage to the property of another for which the insured is liable.

(e) "Secretary" means the secretary of the department of commerce. (Authorized by L. 2004, ch. 97, § 9(c) and L. 2004, ch. 183, § 7; implementing L. 2004, ch. 97, §§ 1, 2, 3, 4, 5, 6, 7, 8 and 9; effective P-\_\_\_\_\_.)

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Attachment 2-4



110-12-2. Registration. (a) Each provider of an agritourism activity desiring to register the activity with the secretary pursuant to the act shall provide the information requested by the department. Upon request, a registration form shall be mailed to the provider. Although no charge is made for registration, no registration shall be deemed complete until the operator provides all of the information requested by the department.

(b) If an incomplete registration form is returned to the department, a request for the missing information shall be sent to the applicant. The applicant shall have 10 working days to respond to the request. If there is no response within this period, the registration form shall be returned, and the applicant's operation shall be considered not to be registered.

(c) None of the following information from any registration form shall be disclosed by the department:

- (1) The social security number;
- (2) the FEIN for the business activity; and
- (3) the name of the insurance company providing the activity with liability insurance, its agent, and the policy number. (Authorized by L. 2004, ch. 97, § 9(c) and L. 2004, ch. 183, § 7; implementing L. 2004, ch. 97, § 4; effective P-  
\_\_\_\_\_.)

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Attachment 2-5

110-12-3. Liability insurance; costs qualifying for tax credits. The following costs associated with liability insurance shall be eligible for the tax credits authorized by the act:

(a) The cost of a rider with a separate premium for specific risk for an agritourism activity; and

(b) the amount that an insurance agent certifies on a tax credit form provided to the registered agritourism operator by the department of revenue and filed for the operator that represents the cost of the liability insurance covering the registered agritourism activity. (Authorized by L. 2004, ch. 97, § 9(c); implementing L. 2004, ch. 97, § 9; effective P-\_\_\_\_\_.)

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110-12-4. Tax credits. (a) No costs of liability insurance specified in K.A.R. 110-12-3 shall be allowed for consideration for tax credits unless the registered agritourism operator or the operator's authorized attorney or insurance agent provides the department of revenue with the following information and documents:

- (1) The name of the agritourism operator's liability insurance company;
- (2) the liability insurance policy number;
- (3) the name, complete address, and phone number of the liability insurance company's agent; and
- (4) a copy of the completed tax credit form provided to the registered agritourism operator under K.A.R. 110-12-3(b).

(b) Each registration with the department that is complete shall be valid for five years. If during that time and for any reason the secretary believes that a registered agritourism operator has not complied, or is not complying, with these regulations and through such noncompliance may have jeopardized the operator's eligibility for tax benefits under the act, all relevant information shall be forwarded by the secretary to the secretary of revenue. (Authorized by L. 2004, ch. 97, § 9(c); implementing L. 2004, ch. 97, § 9; effective P-\_\_\_\_\_.)

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110-12-5. Reregistration. This act shall apply only to registered agritourism activities. If a registered agritourism operator changes the agritourism activities at the operator's facility, the operator shall reregister the agritourism activity with the department. (Authorized by L. 2004, ch. 97, § 9(c) and L. 2004, ch. 183, § 7; implementing L. 2004, ch. 97, § 4; effective P-\_\_\_\_\_.)

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110-12-6. Contracts. Each written contract or agreement with a participant shall contain the warning notice specified in L. 2004, ch. 97, § 5(b), and amendments thereto. This warning notice shall be printed in at least 10-point font. (Authorized by L. 2004, ch. 97, § 9(c) and L. 2004, ch. 183, § 7; implementing L. 2004, ch. 97, § 5; effective P-  
\_\_\_\_\_.)

Senate Commerce Committee

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Attachment

2-9

**State of Kansas**  
**Department of Commerce**  
**Notice of Hearing on Proposed Administrative Regulations**

A public hearing will be conducted at 1:30 p.m. on Tuesday, February 15, 2005 in the main conference room, Kansas Department of Commerce, first floor, Suite 100, Curtis State Office Building, 1000 S.W. Jackson, Topeka, to consider the adoption of regulations administering the Kansas Agritourism Promotion Act.

This 60-day notice of the public hearing shall constitute a public comment period for receiving written public comments on the proposed regulations.

All interested parties desiring to submit written comments before the hearing may do so to Howard Fricke, Secretary of Commerce, Suite 100, Curtis State Office Building, 1000 S.W. Jackson, Topeka, 66612. All interested parties will be given a reasonable opportunity to present their views orally on these regulations during the hearing. In order to give all parties an opportunity to present their views, it may be necessary to request that each participant limit any oral presentation to five minutes.

Any individual with a disability may request accommodation in order to participate in the public hearing and may request the existing regulations and economic impact statements in an accessible format. Requests for accommodation should be made at least ten working days in advance of the hearing by contacting Merrill J. Hicklin Befort at (785) 291-3891. Handicapped parking is not available around the Curtis Office Building; however, all persons in a vehicle with a handicapped license plate may park in any metered space around the building, and there is no charge for parking. The curbs and all entrances on Jackson, 10<sup>th</sup> Street and Kansas Avenue to the Curtis Office Building are accessible to individuals with disabilities.

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Written copies of the regulations and their economic impact statements may be obtained from Merrill J. Hicklin Befort, Department of Commerce, at the address and phone number above. The regulations are also posted on the Department's website at:

[www.kansascommerce.com](http://www.kansascommerce.com) . In the lower left hand corner of our home page is where you will find the Connect Code box. Once there, simply type in the code "AGTOURREGS", click the "Go" button, and you'll be provided a direct link to the proposed agritourism regulations.

Anyone reviewing the regulations on the internet may comment for the record on these regulations by completing the on-line form.

A summary of the existing regulations and their economic impact follows:

**K.A.R. 110-12-1. Definitions.** This regulations defines key terms in the regulations.

**K.A.R. 110-12-2. Registration.** Only those providers of agritourism activities who register with the Secretary of Commerce are eligible for the limited liability that accrues to registered operators, and eligible for tax credits for insurance purchased. Certain information is kept from disclosure to avoid use of such information for identity theft.

**K.A.R. 110-12-3. Liability Insurance; costs qualifying for credits.** This regulation defines allowed costs that qualify for the state tax credits.

**K.A.R. 110-12-4 Tax Credits.** This regulation states how operators qualify for tax credits and the information they must provide in order to qualify.

**K.A.R. 110-12-5. Registration.** The regulation limits application to those owners who register. Further, any change in operation of the agritourism activity requires the owners to file a new application with the Secretary.

**K.A.R. 110-12-6. Contracts.** Each written contract or agreement with a participant shall contain certain warning notices and be printed in at least 10-point font.

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Attachment 2-11

These regulations help establish the tax credit program under the Agritourism Promotion Act, 2004 SB 334. The anticipated costs to state agencies or employees because of these regulations are minimal and will be absorbed in the agency budget.

Howard Fricke  
Secretary of Commerce

Senate Commerce Committee

1-13-05

Attachment

2-12



**KANSAS DEPARTMENT OF COMMERCE  
ECONOMIC IMPACT STATEMENT**

**I. Summary of Proposed Regulation, Including Its Purpose.**

K.A.R. 110-12-1 through 110-12-6, inclusive, implement the Kansas Agritourism Promotion Act, L. 2004, ch. 97, § 1 through § 9, and amendments thereto. They reflect the proposed administration of the Act by the Kansas Department of Commerce. There are no previous rules in force on this topic.

**II. Reason or Reasons the Proposed Regulation Is Required, Including Whether Or Not the Regulation Is Mandated by Federal Law.**

The Statutes have many undefined terms and do not state with sufficient specificity how the costs for liability insurance to cover agritourism activities will determine the eligibility for tax credits and limited liability under the Act. The regulations cover this area of public policy. These regulations are not mandated by federal law and do not exceed the requirements of federal law.

**III. Anticipated Economic Impact upon the Kansas Department of Commerce.**

It is anticipated that at least one employee of the Department will be required to review applications for form and compliance with applicable rules, and capture statistics on agritourism promotion so that the legislature can review the impact of this act on the state's program of promoting agritourism. Costs to the Department would include the staff time spent reviewing the applications and corresponding with applicants, providing technical assistance, drafting reports and recommendations for the Secretary's registration function, providing annual reports to the legislature, and tracking the growth of agritourism activities in the state. We estimate the

cost to be between \$10,000 and \$20,000. The department does not anticipate the need to hire additional employees.

**IV. Anticipated Financial Impact upon Other Governmental Agencies and upon Private Business or Individuals.**

The Department of Commerce anticipates there will be some economic impact on the Department of Revenue for tracking the flow of tax credits under this act. Private agritourism businesses and their insurance agents will be impacted by the act due to additional paperwork needed to comply with agency requests for information to process the registration of the activity. Companies complying with these regulations will have normal record keeping costs and expenses as well as salaries involved in maintenance of records. We cannot reliably estimate the costs required of each company since that involves decisions made at the company level.

**V. Anticipated Economic Impact upon other Entities or Persons.**

There would be no other negative economic impact on other entities or persons. To the extent the program allows operators to make the business decision to put agritourism activities on their properties, it enhances the state's tourism activities and attractiveness. This would have a positive impact on state and local tax revenues.

**VI. Less Costly or Intrusive Methods That Were Considered, but Rejected, and the Reason for Rejection.**

We are unsure of any other less costly or intrusive methods to regulate this activity. The secretary's authority to regulate this activity was narrow.

**AGRITOURISM PROMOTION ACT REGISTRATION**

Please complete ALL information as required by Senate Bill 334, the Agritourism Promotion Act. Incomplete forms will not be accepted. **Please contact the Kansas Department of Commerce if you have not received your registration certificate after 30 days of mailing in your form.**

Company Name: \_\_\_\_\_

FEIN Number: \_\_\_\_\_

Owner's Name: \_\_\_\_\_

Owner's Social Security Number: \_\_\_\_\_

Mailing Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_

E-Mail: \_\_\_\_\_ Web site: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Contact Person Phone #: \_\_\_\_\_ E-Mail: \_\_\_\_\_

Location/Address of Agritourism Enterprise: \_\_\_\_\_

County or Counties: \_\_\_\_\_

Insurance Company Name: \_\_\_\_\_

Agritourism Liability Insurance Policy Number: \_\_\_\_\_

**TYPE OF AGRITOURISM EXPERIENCES OFFERED**

This information is required in order for the event to be uploaded to the travel web site, [www.travelKS.com](http://www.travelKS.com).

Does your operation clearly complement any of the six special interest areas? (Mark as many as apply.)

- |   |   |   |
|---|---|---|
| <input type="checkbox"/> Western Frontier | <input type="checkbox"/> Nature-based Tourism | <input type="checkbox"/> Farm & Ranch Experiences |
| <input type="checkbox"/> Aviation         | <input type="checkbox"/> Arts                 | <input type="checkbox"/> Hunting & Fishing        |

Mark all that apply:

- |   |   |
|---|---|
| <input type="checkbox"/> (1) Retail/Gift Shop               | <input type="checkbox"/> (7) Food Production/Tasting Room/Concessions     |
| <input type="checkbox"/> (2) Wildlife Based Recreation      | <input type="checkbox"/> (8) Tours  |
| <input type="checkbox"/> (3) Farm Activity Based Recreation | <input type="checkbox"/> (9) Western Experience                           |
| <input type="checkbox"/> (4) Lodging                        | <input type="checkbox"/> (10) Special Events/Festivals                    |
| <input type="checkbox"/> (5) Dining                         | <input type="checkbox"/> (11) Demonstrations/Seminars/Hands-on Activities |
| <input type="checkbox"/> (6) Prebooked/Group Events         | <input type="checkbox"/> (12) Motorcoach Parking Available                |

Handicap Accessible  Yes  No Restroom Facilities  Yes  No

Admission Fee  Yes  No Amount \$ \_\_\_\_\_

**DISCLOSURE:** Registering with the Department of Commerce all your operation to tourism operators and post your business on our

Senate Commerce Committee

*1-13-05*

Please return to: Agritourism Project Manager  
Kansas Department of Commerce, 1000 SW Jackson Street, Suite 10  
(785) 296-8132, [agritourism@kansascommerce.ca](mailto:agritourism@kansascommerce.ca)

Attachment 3-1

Please give a detailed description of all agritourism experiences offered to your visitors.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Month & Year Agritourism Business Began: \_\_\_\_\_  
Months, Days, & Hours of Operation: \_\_\_\_\_  
What group size meets your maximum capacity?: \_\_\_\_\_

**LODGING**

If lodging is provided please answer all that apply.

Total Number of Rooms: \_\_\_\_\_ Rate Range \$ \_\_\_\_\_ to \$ \_\_\_\_\_  
Handicap Accessible:  Yes  No  
Amenities:  Private Bath  Indoor Pool  Activities for Children  
 Shared Bath  Outdoor Pool  Horseback Riding  
 Continental Breakfast  Hot Tub  Boarding Stables  
 Full Breakfast  Spa Services  Cattle Ranch  
 Additional Meals  Packages  Other Livestock

**WILDLIFE BASED RECREATION**

If wildlife based recreation is provided please answer all that apply.

Amenities:  Fishing  Quail  Prairie Chicken  Gear/Equipment  
 Wildlife Watching  Chukar  Migratory Game Birds  RV Hookups  
 Archery  Rabbits  Guides  Airport Pick-up  
 Shooting Sports  Pheasant  Fishing Guides  Meals  
 Predators  Turkey  Kenneling/Dogs  Processing  
 Deer  Member of Kansas Sport Hunting Association

**DIRECTIONS**

Please provide **TOURIST FRIENDLY** directions that include road names with landmarks if possible.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

DISCLOSURE: Registering with the Department of Commerce allows Commerce to promote your operation to tourism operators and post your business on our Senate Commerce Committee

Please return to: Agritourism Project Manager  
Kansas Department of Commerce, 1000 SW Jackson Street, Suite 10  
(785) 296-8132, agritourism@kansasccommerce.c

1-13-05  
Attachment 3-2

# SENATE BILL 334

## KANSAS AGRITOURISM PROMOTION ACT

The purpose of the act is to promote the growth of the agritourism industry. This is achieved by the following:

- The creation of a registration process through which the state can assist in the promotion of agritourism operations
- Limiting liability through signage
- The creation of a tax credit to help offset the expense of agritourism liability insurance for existing and new operations

### 1. REGISTRATION

The act requires a voluntary registration process of agritourism operations in Kansas to be kept by the Kansas Department of Commerce.

The registration must include a description of the agritourism activity/activities conducted and the location of the agritourism operation.

There is **NO FEE** for registration and the list will be made available to the public by the Department of Commerce.

All registered operations will be promoted by the Department of Commerce in conjunction with all other tourism and rural development promotions.

Registration is valid for five years.

### 2. LIMIT LIABILITY THROUGH SIGNAGE

Warning signage must be prominently posted at each agritourism location. The posted warning signage must be the specific language as set forth in the act (*see back*). The letters on the signage must be a minimum of one inch in height and printed in black. The same wording must be included in every written contract an agritourism operation may enter into.

All registered operations shall provide to participants a written description of the registered agritourism activities upon request.

Signage provides that participants are assuming responsibility of inherent risks.

The agritourism promotion act does **NOT** limit the liability of willful or wanton conduct by any agritourism operators.

### 3. TAX CREDIT

The Department of Commerce is assigned the rules and regulations authority in determining which costs qualify as agritourism liability insurance costs.

The tax credit is an amount equal to 20 percent of the agritourism liability insurance not to exceed \$2,000 in any tax year.

If the tax credit exceeds the total amount of Kansas income taxes owed for that year, the difference can be rolled over to the next tax year.

For existing agritourism operations – this tax credit is available for tax years commencing on or after Dec 31, 2003, 2004, 2005, 2006 and 2007 (five tax years).

For new operations – this tax credit is available for the first five years commencing after they open their agritourism operation.

The limited liability is afforded to agritourism operations that charge for their activities and those that do not charge for their activities, so long as the signage is in place. This act does not limit liability afforded to farmers/ranchers through the existing recreation

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Attachment 3-3

It is important to note that registration as an agritourism operation is voluntary and free of charge. *However*, the only way an operation can be protected by this act and to be eligible for tax credits is to be registered and to have signage stating the exact words that are listed below.

### WARNING

Under Kansas law, there is no liability for an injury or death of a participant in a registered agritourism activity conducted at this registered agritourism location if such injury or death results from the inherent risks of such agritourism activity. Inherent risks of agritourism activities include, but shall not be limited to, the potential of you as a participant to act in a negligent manner that may contribute to your injury or death and the potential of another participant to act in a negligent manner that may contribute to your injury or death. You are assuming the risk of participating in this registered agritourism activity.

# KANSAS

## AGRITOURISM LIABILITY INSURANCE CREDIT

For the taxable year beginning \_\_\_\_\_, 20\_\_\_\_, ending \_\_\_\_\_, 20\_\_\_\_.

Name of taxpayer (as shown on return)	Social Security Number
If partner, shareholder or member, enter name of partnership, S corporation, LLC or LLP	Employer Identification Number (EIN)

Is the above named taxpayer (or the pass-through entity of which you are a partner, member or shareholder) a registered agritourism operator with the Department of Commerce?     Yes     No

**YOU MUST ENCLOSE WITH THIS SCHEDULE A COPY OF THE CERTIFICATE ISSUED BY THE DEPARTMENT OF COMMERCE WHICH ENTITLES YOU TO CLAIM THIS CREDIT.**

**PART A – COMPUTATION OF CREDIT AVAILABLE FOR THIS YEAR'S EXPENDITURES**

1. Cost of liability insurance paid during this taxable year. 1. \_\_\_\_\_

Insurance Agent's Name \_\_\_\_\_ Phone Number \_\_\_\_\_

Insurance Company Name \_\_\_\_\_ Policy Number \_\_\_\_\_

I hereby certify that the amount of liability insurance entered on line 1 above is the total amount paid during this \_\_\_\_\_ tax year for the property that is actually utilized in the Taxpayer's Registered Agritourism Operation and meets the eligibility requirement for claiming this credit as set out in Kansas Administrative Regulation 110-12-1 *et seq.*

\_\_\_\_\_  
Signature of Insurance Agent \_\_\_\_\_  
Date

2. Credit percentage allowed. 2. 20%

3. Credit for this year's liability insurance. Multiply line 1 by line 2. 3. \_\_\_\_\_

4. Enter the amount of available carry forward from the prior year's Schedule K-33. 4. \_\_\_\_\_

5. Total credit available for this tax year. Add line 3 and line 4. 5. \_\_\_\_\_

6. Maximum credit allowable per tax year. 6. \$2,000

7. Credit for this tax year. Enter the lesser of line 5 or line 6. 7. \_\_\_\_\_

**PART B – COMPUTATION OF THIS YEAR'S CREDIT**

8. Enter your ownership percentage. See instructions. 8. \_\_\_\_\_

9. Your share of the credit for this tax year. Multiply line 7 by line 8. 9. \_\_\_\_\_

10. Enter your total tax liability for this tax year after all credits other than this credit. 10. \_\_\_\_\_

11. Agritourism liability insurance credit for this tax year. Enter the lesser of line 9 or line 10. Enter this amount here and on the appropriate line of Form K-40, K-41 or K-120. 11. \_\_\_\_\_

**If line 10 is less than line 9, complete Part C.**

**PART C – COMPUTATION OF EXCESS CREDIT CARRY FORWARD**

12. Subtract line 11 from line 9. This is the amount of carry forward available to next year's Schedule K-33. Enter this amount on line 4 of next year's Schedule K-33.

12.  
Senate Commerce Committee  
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Attachment 3-5

# INSTRUCTIONS FOR SCHEDULE K-33

## GENERAL INFORMATION

The Agritourism Promotion Act created by 2004 Senate Bill 334 provides for an income tax credit equal to twenty percent (20%) of the cost of liability insurance paid by a registered agritourism operator who operates an agritourism activity. The maximum credit allowed is \$2,000 per tax year. An agritourism business **MUST** register with the Kansas Department of Commerce and receive a certificate of eligibility in order to claim this income tax credit.

For registered agritourism businesses who begin operating on or after July 1, 2004, this credit may be claimed for the first five taxable years the agritourism business is open.

If the credit exceeds the taxpayer's income tax liability for the tax year, the excess credit may be carried forward to the next succeeding year or years until the total amount of tax credit has been used, except that no credit may be carried over for deduction after the third taxable year succeeding the taxable year in which the credit is earned.

## SPECIFIC LINE INSTRUCTIONS

Enter all requested information at the top of this schedule, and enclose a copy of your agritourism certificate from the Department of Commerce with this schedule.



**IMPORTANT:** An agritourism business must be registered with the Department of Commerce to be eligible for this income tax credit.

## **PART A - COMPUTATION OF CREDIT AVAILABLE FOR THIS YEAR'S EXPENDITURES**

**LINE 1** – Enter the total amount paid for liability insurance during this tax year as a direct expense of operating an agritourism operation registered with the Department of Commerce. Your insurance agent must certify that the liability insurance meets the eligibility criteria for claiming this credit as set out in Kansas Administrative Regulation 110-12-1 *et seq.*, specifically that the amount entered on line 1:

- 1) was paid during this tax year,
- 2) is limited to only the parcel(s) of real property employed in the agritourism operation,
- 3) is the cost of specific liability insurance for the agritourism operation that is in addition to existing liability insurance coverage.

**LINE 2** – The credit amount is 20% of the cost of liability insurance paid by a registered agritourism operator during the tax year.

**LINE 3** – Multiply line 1 by line 2, and enter the result. This is the credit available for this year's expenditures.

**LINE 4** – Enter the amount of any credit carry forward from a prior year's Schedule K-33. (There will not be an entry on this line in the first year.)

**LINE 5** – Add line 3 and line 4. This is the total credit available for this tax year.

**LINE 6** – The maximum credit allowable for any tax year is \$2,000.

**LINE 7** – Enter the lesser of line 5 or line 6. This is the credit for this tax year.

## **PART B - COMPUTATION OF THIS YEAR'S CREDIT**

**LINE 8** – Ownership percentage. **Partners, shareholders or members:** Enter the percentage that represents your ownership in the partnership, S corporation, LLC or LLP. All other taxpayers: Enter 100%.

**LINE 9** – Multiply line 7 by line 8. This is your share of the credit for this tax year.

**LINE 10** – Enter your total Kansas tax liability for this tax year **AFTER** all credits other than this credit.

**LINE 11** – Enter the lesser of line 9 or line 10. Enter this amount here and on the appropriate line of Form K-40, K-41 or K-120 (**K-120 filers** will enter this amount in Part I of Form K-120).

**If line 10 is LESS than line 9, complete Part C.**

## **PART C - COMPUTATION OF EXCESS CREDIT CARRY FORWARD**

**LINE 12** – Subtract line 11 from line 9. Do not enter an amount less than zero. This is the amount of carry forward credit available to enter on line 4 of the next year's Schedule K-33.

## TAXPAYER ASSISTANCE

For information and assistance regarding the establishment or operation of an agritourism activity contact:

Kansas Department of Commerce  
1000 SW Jackson, Suite 100  
Topeka, KS 66612-1354  
(785) 368-7260

e-mail: [agritourism@kansasccommerce.com](mailto:agritourism@kansasccommerce.com)  
[www.kansasccommerce.com](http://www.kansasccommerce.com)

For assistance in completing this schedule contact the Kansas Department of Revenue.

Taxpayer Assistance Center  
Docking State Office Building, 1<sup>st</sup> Floor  
915 SW Harrison St., Topeka, KS 66625-2007  
Phone: (785) 368-8222  
Hearing Impaired TTY: (785) 296-6461  
Fax: (785) 291-3614

Additional copies of this credit schedule and other tax forms are available at [www.ksrevenue.org](http://www.ksrevenue.org) Senate Commerce Committee

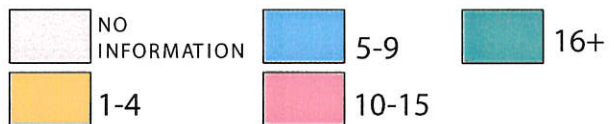
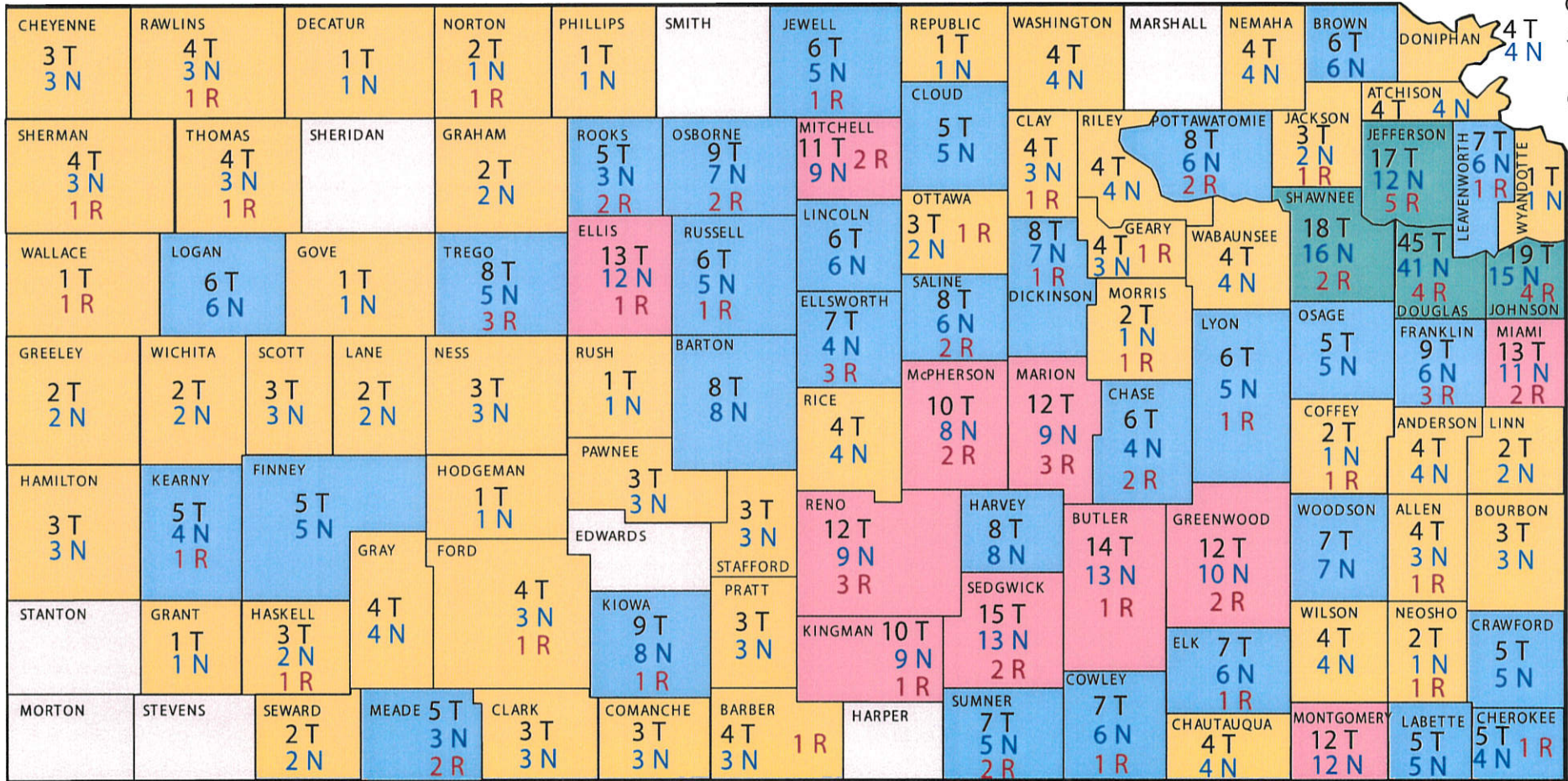
Attachment 36



# 2004 Kansas Agritourism Operations

Senate Commerce Committee

1-13-05  
Attachment 3-7



R=OPERATIONS REGISTERED FOR AGRITOURISM PROMOTION ACT  
 N=NON-REGISTERED OPERATIONS  
 T=TOTAL OPERATIONS IN COUNTY

## *Agritourism's Economic Impact*

Today more than 62 million people annually participate in agritourism. There is a significant travel market for authentic participation in the unique nature, culture, and heritage of rural America.



### *Financial Assistance funded by the Kansas Department of Commerce*

**Travel and Tourism Division - Attraction Development Grant Program** is awarded to public and not for profit operations to aid in the development of tourism attractions, events, festivals, and tourism-based products in Kansas

**Agriculture Marketing Division - Agricultural Value Added Center loans** are low interest loans available through the Agriculture Marketing Division for commercialization and marketing of value added agricultural ventures, which includes marketing your farm as an agritourism enterprise.



For more information on agritourism or assistance available, contact the Kansas Department of Commerce at (785) 296-2009 or [agritourism@kansascommerce.com](mailto:agritourism@kansascommerce.com)

## AGRITOURISM ADVISORY COUNCIL

**Joel Wimer**  
C&W Ranch  
(785) 668-2352

**Caren Hall**  
Caren's Charters  
(913) 897-2084

**Jane Eckert**  
Eckert AgriMarketing  
(314) 862-6288

**Gary Satter**  
Glacial Hills RC&D  
(785) 945-6292

**Donna Price**  
Goodland CVB\*  
(785) 890-3515

**Carole Jordan**  
Kansas Department of Agriculture  
(785) 296-3556

**LeAnn Schmitt**  
Kansas Department of Wildlife and Parks  
(785) 296-3905

**John Shostak**  
Kansas Farm Bureau  
(785) 587-6608

**Brent Martisko**  
Martisko Farms  
(620) 960-3462

**Mike Casey**  
Kansas Restaurant & Hospitality Assn.  
(316) 267-8383

**Ben Allen**  
K-State Extension  
(620) 725-5890

**Trudy Rice**  
K-State Extension  
(785) 843-7058

**Daniel Bernardo**  
KSU Agricultural Economics  
(785) 532-6702

**Judy Billings**  
Lawrence CVB\*  
(785) 865-4494

**Becky Blake**  
Manhattan CVB\*  
(785) 776-8829

**Bert Mosier**  
Northwest Travel Council  
(785) 675-3016

**Norm Jennings**  
Smoky Hill Vineyard & Winery  
(785) 825-2515

**Dick Carter**  
Travel Industry Association of Kansas  
(785) 233-9465

**Becky Walters**  
Walters' Pumpkin Patch  
(316) 320-4150

**Scott Allegrucci**  
Kansas Department of Commerce  
(785) 296-8478

**Patty Clark**  
Kansas Department of Commerce  
(785) 296-3737

\*Convention and Visitors Bureau

## HEAR WHAT THEY HAVE TO SAY...

"I believe the potential of agritourism in our state is significant and remains largely untapped."

**Governor Kathleen Sebelius**

"The combination of agriculture and tourism is a natural marriage. The Urbanites who appear at farms are looking to connect with the land and experience what, for them, is a lost world. Farmers and ranchers find in them a new appreciation for what they do, as well as a new revenue stream."

**Jane Eckert, Eckert AgriMarketing**

"Agritourism is a broad approach to diversity that allows producers to choose what best suits their land, their families, and their interests."

**Patty Clark, Kansas Department of Commerce, Agriculture Marketing Division Director**

"While Kansas is diverse in its landscape, cultures, people, heritage, and communities, there is one activity that weaves us together and binds us to the land from border to border - agriculture."

**Scott Allegrucci, Kansas Department of Commerce, Travel and Tourism Development Division Director**



1000 S.W. Jackson Street, Suite 100  
Topeka, Kansas 66612-1354  
Phone: (785) 296-2009  
Fax: (785) 296-6988  
TTY (Hearing Impaired): (785) 296-3487  
e-mail: [agritourism@kansascommerce.com](mailto:agritourism@kansascommerce.com)  
[www.kansascommerce.com](http://www.kansascommerce.com)

## AGRITOURISM

A collaborative effort of the Marketing and Travel & Tourism

KANSAS DEPARTMENT OF COMMERCE

Senate Commerce Committee

Attachment 3-8



# Frequently Asked Questions

## What is Agritourism?

Agritourism is when the public visits a working farm, ranch, winery, or any agricultural operation or active agricultural heritage site for enjoyment, outdoor recreation, activities, education, shopping, dining, or lodging. These visits generate income for the operators, which can help sustain the rural way of life and help keep more producers on our Kansas lands.

## What fun things can I do on a farm or ranch?

Visiting a farm, ranch, or winery offers wonderful, unique *experiences*. Picking your own pumpkins on a beautiful farm, roping a calf, or stomping grapes are just a few examples of the fun and fabulous activities waiting for you.

## Why is Agritourism growing so fast?

People want an experience that's completely different from their daily lives. They want an escape from the stress of traffic jams, cell phones, office cubicles, and car pooling! Parents want their children to know how food is grown or that milk actually comes from a cow (not the supermarket shelf)! The idea of the family taking a pleasant drive to the country to spend the day together is extremely appealing, especially now. Most of us have a farm somewhere on our family tree. If we weren't raised on a farm, maybe our parents or grandparents were. Many people have fond memories of visiting the farms of their grandparents, aunts and uncles, or other relatives. Agritourism rekindles the positive emotions from these family visits.

## What do children and adults learn from Agritourism?

Agritourism plants a seed of knowledge, especially in children, about agriculture and its importance to feeding our nation. When people pick an apple from a fruit orchard, or a pumpkin from a patch, or they see for themselves how produce is grown and livestock is raised, they learn the basics of farming and also form an important connection to the land.

## Why do farmers and ranchers participate in Agritourism?

Today, many small farms and ranches face such serious financial challenges that they are often forced to sell their property to land developers and leave farming or ranching forever. The prices paid for commodities and livestock often do not even cover the costs of growing those crops or raising the animals.

Family farmers and ranchers have realized that if they diversified their operations - adding fruit stands, country stores, special activities, etc. - they could continue farming or ranching *and* make a profit.

*"Every agritourism operation creates about 43 percent of the farm's business income, with the money coming in from outside the community. Each employs more than two family members along with six non-family members."*

Majority of contents taken from [www.Farmstop.com](http://www.Farmstop.com).

# EXAMPLES OF AGRITOURISM ACTIVITIES

## SHOPS & FOOD

Country store	Wineries
Gift shop	Country restaurant
Ice cream stand	Roasted sweet corn
Bakeries	Kettle corn
Chuck wagon dinners	Gourmet dining
Fudge shoppes	

## CLASSES & WORKSHOPS

Cider & Wine making	Sketching & painting
Gardening	Whittling
Sausage making	Drying herbs
Food preserving, canning & smoking	Bread making
	Jam & jelly making

## ENTERTAINMENT & CHILDREN'S ACTIVITIES

Pick your own flowers & produce	Square dancing
Cut your own Christmas trees	Haunted houses
Costume contests	Miniature golf
Hay/Sleigh rides	Toddler tractor trails
Face painting	Corn mazes
Children's games	Apple bobbing
Concerts	Rodeos
Pumpkin carving	Train rides
Egg painting	Balloon rides
Storytelling	Easter egg hunts
Talent shows	Breakfast with Santa
Contests	Stage Shows
Bonfires	Horse-drawn wagon rides
Clambakes	Scavenger hunts
	Pig races
	Puppet shows

## LODGING

Bed & Breakfasts	Cabins	RV hookups
Inns	Farm houses	Beach houses
	Campsites	

## TOURS & VALUE ADDED

Food processing plants	Livestock operations
Dairies	Agricultural & history museums
Sawmills	Cider mills
Maple syrup production	Greenhouse & garden centers
Wineries	

## DEMONSTRATIONS

Cattle roping & branding	Sheep shearing
Cow & goat milking	Cooking
Flour milling	Cider making
Grain threshing	Wine making
Sheep herding	Gardening
Animal birthing	Sausage making
Spinning wool	

## FESTIVALS, FAIRS, & SPECIAL ACTIVITIES

Chili cook-off	Christmas tree lighting
Craft fairs	Cultural & ethnic festivals
Antique shows	Harvest festivals
Fine art shows	Heritage festivals
Quilt exhibitions	Anniversary festivals
Antique tractor day	Wildlife festivals
Border Collie trials	Country music concerts
Antique & classic car shows	Convention & meeting facilities
Produce festivals	Company picnics
	Weddings

## OUTDOOR & RECREATION

Camping	Picnicking
Fishing	Bird watching
Canoeing & kayaking	Rapelling
Hang-gliding	Cattle sorting
Hiking	Sledding
Horseback riding	Skeet shooting
Llama treks	Trail rides
Hunting	Swimming
Turkey shoots	Baseball field
Mountain biking	Miniature golf
Archery	Batting cages
Nature photography	Paint ball