

MINUTES OF THE HOUSE ECONOMIC DEVELOPMENT AND TOURISM COMMITTEE

The meeting was called to order by Chairman Lana Gordon at 3:30 P.M. on March 24, 2008 in Room 519-S of the Capitol.

All members were present except:

Broderick Henderson- excused
Judy Morrison- excused

Committee staff present:

Kathie Sparks, Kansas Legislative Research Department
Ryan Hoffman, Kansas Legislative Research Department
Jason Long, Office of the Revisor of Statutes
Matt Todd, Office of the Revisor of Statutes
Ann Deitcher, Committee Assistant

Conferees appearing before the committee:

Senator Nick Jordan
Dick Carter, Jr., Exec. Director, Travel Industry Assoc. Of Kansas
Cindy Cash, KC, Ks Area Chamber of Commerce
Jim Zaleski, City of Parsons/Labetty County Tourism
Marci Penner, Kansas Sampler Foundation
John Lay, George Lay Signs
Richard Forester, Visit Topeka, Inc.
Linda Craghead, Flint Hills Tourism Coalition
Jerry Cook, Overland Park CVB
Barbara Nelson, Strecker-Nelson Art Gallery
Stephen Koranda, Stephen Koranda & Assoc.
LeAnn Cox, Hutchinson CVB
Glenda Purkis, Abilene CVB
Joan Wagnon, Secretary of Revenue
David Kerr, Secretary of Commerce

Substitute for SB 501 - establishing the Kansas Tourism Corporation (KTC) as an independent government agency similar to the Kansas Bioscience Authority or the Kansas Turnpike Authority.

The Chair introduced Jason Long, who offered a briefing of Substitute for Senate Bill 501. (Attachment 1).

Questions and answers followed.

Senator Jordan addressed the Committee next as a proponent of **Sub SB 501**. (No written testimony was provided.).

Testifying in favor of **Sub SB 501**, Dick Carter presented what he called the final work product of the Kansas Tourism Initiative task force. He also offered recommendations saying they would shape the way tourism promotion and development is approached in the future. (Attachment 2).

Questions and answers followed.

Appearing next in support of **Sub SB 501**, Cindy Cash said that her organization has seen first hand the effects of a successful tourism industry in Wyandotte County. (Attachment 3).

CONTINUATION SHEET

MINUTES OF THE House Economic Development and Tourism Committee at 3:30 P.M. on March 24, 2008 in Room 519-S of the Capitol.

Ms. Cash said she believed the time had come for the state of Kansas for a separate Tourism entity to position and give our tourism industry the best chance to grow. In that growth she saw the creation of more business and prosperity for the entire state.

In addressing the Committee in support of **Sub SB 501**, Jim Zaleski said he knew they understood the workings of how the new Kansas Tourism Corporation would be funded but he felt it was worth repeating that the new funds allocated in this legislation are based on growth. (Attachment 4).

Mr. Zaleski said that the growth of the tourism industry itself would provide the additional funds of that same industry.

Marci Penner spoke to the Committee regarding **Sub SB 501**. She said the mission of her organization was to preserve and sustain rural culture. (Attachment 5).

She spoke of the small towns and how some of the most unique attractions are found there. She referred to these small town experiences as Explorer Tourism.

Next on the agenda was John Lay who spoke in support of **Sub SB 501** and said the big part about the bill that he was attracted to was the organizational piece. (Attachment 6).

Mr. Lay felt this proposal would provide for hiring an industry professional to head the division – hopefully free from the political winds that have prevailed for the last 25 years – and provide for the much needed continuity of leadership that has never been able to take place under the current structure.

Appearing next as a proponent of **Sub SB 501**, Richard Forester said that the tourism industry in Kansas had invested money, time and effort to produce the key to better more lucrative results. The key was the Kansas Tourism Initiative. (Attachment 7). He went on to say that as an industry, they were asking that the legislature join them in supporting it.

Speaking in support of **Sub SB 501**, Linda Craghead asked why Kansas was such a “secret”. She pointed out that Kansas’ Tourism marketing and promotion budget ranked 48th in the nation and she wondered if it was because the state didn’t have the money to promote it, or if it was really because they didn’t consider tourism to be a priority. (Attachment 8).

Gerald Cook addressed the Committee in support of **Sub SB 501**, and the creation of a new statewide tourism organization, “Visit Kansas”, an initiative that will provide operational enhancements, positively supporting travel/tourism strategies throughout the state. (Attachment 9).

Mr. Cook said that he believed Visit Kansas provided the best opportunity to invest our state’s resources wisely and most effectively.

Barbara Nelson appeared as a proponent of **Sub SB 501**, saying that she saw potential for the Kansas Tourism Initiative, as an opportunity for the Kansas tourism industry to promote Kansas in an integrated manner, to potential tourists – whether passing through, Kansans traveling in their own home state, or coming to Kansas as a destination. (Attachment 10).

CONTINUATION SHEET

MINUTES OF THE House Economic Development and Tourism Committee at 3:30 P.M. on March 24, 2008 in Room 519-S of the Capitol.

Speaking in favor of **Sub SB 501**, Stephen Koranda reminded the Committee that the tourism economy was the support of the tourism industry. (Attachment 11). He said that the proposal by the Kansas Tourism Initiative was not a proposal to assist merely the hotels and the restaurants and the museums, it was to grow the tourism economy. The proposal was to grow the Kansas economy.

Leann Cox told the Committee that her organization was asking to be allowed the opportunity to improve the economy of Kansas and its communities by doing what they do best. (Attachment 12).

Appearing as a proponent of **Sub SB 501**, she said that through this performance-based plan, the Kansas Tourism Initiative allowed a structure and the resources to capture more visitor spending in Kansas.

Speaking to the Committee in support of **Sub SB 501**, Glenda Purkis said that over the past 38 years of her involvement in the travel industry, Kansas had not shown a major improvement in rankings with other states. (Attachment 13). She said that they remain too close to the bottom and yet, the travel industry was a \$5.6 billion industry in the state.

Ms. Purkis asked the Committee to just think what the return on investment would be if the Kansas Legislature increased the current \$4 million tourism budget.

Questions and answers followed.

Next on the agenda was Secretary David Kerr who said that since the real issue was the lack of funding and not the lack of priority by existing agencies, the Committee should consider moving forward with the incremental funding but utilizing the efficiencies of the existing Travel and Tourism organization. (Attachment 14).

Secretary Kerr said that such action would insure that existing support resources, including human resources, fiscal planning, building operations, information technology and marketing and communications would be leveraged and not duplicated. He said that he clearly supported the intent of **Sub SB 501** in demonstrating the importance of the industry by identifying and committing much needed incremental funding for this sector of the economy, but suggested the Committee consider a more cost-effective and efficient alternative for managing the new funding mechanism and travel and tourism initiatives.

Questions and answers followed.

Secretary Joan Wagon addressed the Committee next, voicing some of her department's concerns with **Sub SB 501**. (Attachment 15). She reminded them that the state sales tax was a vital funding source for the State General Fund and the Highway Fund. Saying that state sales tax receipts had been essentially flat for the past several years – particularly when inflation is taken into account, she felt that for that reason, any significant reduction of that funding source must be considered carefully.

Secretary Wagon told the Committee that her Department strongly recommended that the bill be amended so that revenue transferred to the fund would be 50% of the annual growth in tourism-related sales tax measured from the immediate prior year – not the base year 2007.

Questions and answers followed.

CONTINUATION SHEET

MINUTES OF THE House Economic Development and Tourism Committee at 3:30 P.M. on March 24, 2008 in Room 519-S of the Capitol.

Written only testimony was offered by: Sylvia Rice, Visit Salina, ([Attachment 16](#)); Craig Hull, Crawford County CVB, ([Attachment 17](#)); Anna Methvin, Southeast Kansas Tourism, ([Attachment 18](#)); Kerry Green, Kansas City Ks - Wyandotte County, CVB, ([Attachment 19](#)); Charles Reaser, KS Assoc. RV Parks & Campgrounds, ([Attachment 20](#)); Anna Methvin, Chanute Area C of C & Office of Tourism, ([Attachment 21](#)); Kathy Tolbert, Rolling Hills Wildlife, ([Attachment 22](#)); Gloria J. Moore, Washing County Tourism Dir., ([Attachment 23](#)); Mary Arlington, High Plains Camping, ([Attachment 24](#)); Jana Jordan, Hays Convention & Visitors Bureau, ([Attachment 25](#)); Mike Taylor, Unified Gov. Public Relations, ([Attachment 26](#)); Katie Casper, Ft. Scott Area C of C, ([Attachment 27](#)); Karen Hibbard, Manhattan CVB, ([Attachment 28](#)); Jeff Peterson/Cindi Smith, Manhattan CVB, ([Attachment 29](#)); Karen Crane, Meriam Visitors Bureau, ([Attachment 30](#)); Donna Price, Northwest Kansas Travel, ([Attachment 31](#)); Roger Hrabec, Northwest Kansas Travel Council, ([Attachment 32](#)); Kirsten Stotts, Coffeyville CVB, ([Attachment 33](#)); Connie Hachenberg, Leavenworth CVB, ([Attachment 34](#)); Susan Henderson, Lawrence CVB, ([Attachment 35](#)); Kristi Lee, Franklin County CVB, ([Attachment 36](#)); Jan Stevens, Dodge City, CVB, ([Attachment 37](#)); Suzan Barnes, Grand Central Hotel, ([Attachment 38](#)); Christopher Orwell, Cosmosphere, ([Attachment 39](#)); Lynette Hitty, Ks Underground Salt Museum, Hutchinson, ([Attachment 40](#)); Mary Hemmings, Hutchinson's CVB, ([Attachment 41](#)); Jill Leslie-Mlkuramatsu, Catalyst, ([Attachment 42](#)); Susan Howell, Kansas Traveler, ([Attachment 43](#)); Nita Jones, Yellow Brick Road Visitor Center, ([Attachment 44](#)); Kim Legleiter, Stauth Memorial Museum, ([Attachment 45](#)); Lara Brehm, Boot Hill Museum, Inc., ([Attachment 46](#)); John Rolfe, Greater Wichita CVB, ([Attachment 47](#)); Connie Kimsey, Arkansas City CVB, ([Attachment 48](#)); Robert L. Cole, Flint Hills Tourism Coalition, ([Attachment 49](#)); Carla Barber, Kansas Museums Assoc., ([Attachment 50](#)); Sally Webb, Atchison Area C of C., ([Attachment 51](#)); Kathleen Olsen, KBA, ([Attachment 52](#)); Marlee Carpenter, Kansas Chamber, ([Attachment 53](#)) and Bridgette Jobe, Kansas City Kansas - Wyandotte County CVB, ([Attachment 54](#)).

The meeting was adjourned at 5:50 p.m. The next meeting is scheduled for Tuesday, March 25, 2008.

MART ANN TORRENCE, ATTORNEY
REVISOR OF STATUTES

JAMES A. WILSON III, ATTORNEY
FIRST ASSISTANT REVISOR

GORDON L. SELF, ATTORNEY
FIRST ASSISTANT REVISOR



OFFICE OF REVISOR OF STATUTES
KANSAS LEGISLATURE

Legal Consultation—
Legislative Committees and Legislators
Legislative Bill Drafting
Legislative Committee Staff
Secretary—
Legislative Coordinating Council
Kansas Commission on
Interstate Cooperation
Kansas Statutes Annotated
Editing and Publication
Legislative Information System

Briefing of Substitute for Senate Bill 501

Jason B. Long
Assistant Revisor
Office of Revisor of Statutes

March 24, 2008

Overview

Substitute for senate bill 501 establishes the Kansas Tourism Corporation (KTC) as an independent, quasi-public government body whose purpose is to provide for the collaboration of public and private organizations responsible for influencing tourism spending in the state and growing the state economy by enhancing the visitor experience through targeted marketing, product development, professional development and research. The bill transfers the powers, duties and functions of the department of commerce's division of travel and tourism development to the KTC and abolishes that division. The bill also creates a funding source for the KTC based on the growth in sales tax revenue in the tourism industry.

Creation of the Kansas Tourism Corporation

Section 4 of the bill establishes the KTC. The KTC is to be governed by a board of 13 directors appointed as follows: (1) Three members appointed by the governor, each of whom shall be recognized for outstanding knowledge and leadership in the fields of tourism, tourism marketing and tourism market research; (2) two members appointed by the speaker of the house of representatives, at least one of whom shall be a current member of the house of

representatives; (3) two members appointed by the president of the senate, at least one of whom shall be a current member of the senate; (4) one member appointed by the minority leader of the house of representatives; (5) one member appointed by the minority leader of the senate; and (6) four members appointed by the travel industry association of Kansas. The appointees are subject to senate confirmation. The initial board will be appointed to staggered terms, while successor members shall serve four-year terms. No member may serve more than three consecutive four-year terms. The KTC will pay expenses incurred by board members in attending meetings.

Under section 5 the board is subject to the open meetings act, however, the board may go into executive session to discuss matters the disclosure of which could harm the competitive position of the KTC. Likewise, section 6 provides that the board's written records are subject to the open records act, but an exception is made for certain proprietary documents. Section 7 requires disclosure of any interest a board member or employee may have in any contract or transaction the KTC is considering.

Section 8 sets forth the general powers of the KTC. The corporation may execute contracts, borrow money, purchase and sell real or personal property, open a bank account for corporation funds, own and license trademarks, patents and copyrights, accept gifts and donations and hire any technical assistance it deems necessary. Powers more specific to its purpose include developing business plans to advance tourism in the state, developing research and development programs with educational institutions, establishing a program of grant awards, providing marketing and promotion of the state and exercising all powers and duties transferred from the division of travel and tourism development. The KTC may also adopt a trade name for use on its publications, loan money and make investments.

The board will hire a president to act as the chief executive officer of the corporation. The KTC may also hire any other employees as necessary. These employees will be unclassified employees of the state. The KTC may also elect to affiliate with KPERS with respect to any of its employees, and the corporation may provide other employment benefits such as retirement plans, death benefits or disability benefits.

The KTC is required to publish an annual report on its operations, transactions and use of funds. The report is to be presented to the legislature, the governor and Kansas, Inc. Every three

years Kansas, Inc. is to perform a review and report on the activities of the KTC.

The corporation is exempt from all real or personal property taxes on property of the corporation that is used for its public purposes, and all income taxes on income derived from projects or operations of the corporation. The KTC is also exempt from certain statutory requirements as set forth in section 27 of the bill. A detailed list of these exemptions is attached. The KTC, its directors and employees are subject to the Kansas tort claims act.

Funding Sources for the KTC

Section 15 of the bill establishes the travel and tourism development fund. This is the primary fund from which expenditures of the corporation shall be made. The fund is outside of the state treasury and belongs exclusively to the KTC.

The KTC is to be funded from a percentage of the state sales tax growth in the tourism industry. A base year is to be established as the 2007 state sales taxes collected from tourism companies. The KTC and the secretary of revenue are to work together to determine the base year. The requirements for what constitutes a tourism company is set forth in the definitions in section 3. Subsection (h), in particular, includes a list of the specific NAICS codes that are assigned to tourism companies. A list of the types of businesses included in the listed NAICS codes is attached. Any company assigned a NAICS code included in the list is to be considered a tourism company. Starting July 1, 2008, the state treasurer will pay 50% of the state sales tax collected above the base year from tourism companies to the KTC on a quarterly basis. These payments will be reconciled annually.

The KTC will also be funded from the appropriations to the division of travel and tourism development. These funds would be transferred to the KTC upon abolition of the division.

Transferred Powers and Duties

Sections 18 through 22 of the bill transfer all of the powers, duties and functions of the division of travel and tourism development to the KTC. Included in this transfer are all funds and liabilities of the division, all property, records and employees. All rules and regulations of the division would become rules and regulations of the KTC and all references to the division in

statute or contract would be to the KTC. Any conflicts that may arise with the disposition of property, personnel or records of the division is to be determined by the governor and her decision is final. The transfer shall be effective January 1, 2009, and on that date the division is abolished.

Section 23 of the bill transfers all remaining money in the state tourism fund to the KTC and abolishes the fund and the council on travel and tourism. Section 24 of the bill transfers all remaining money in the Kansas tourist attraction matching grant development fund to the KTC and abolishes the fund and the state matching grant program established by K.S.A. 74-5089. These sections also take effect on January 1, 2009.

Sections 29, 30 and 31 amend certain laws to change references to the division of travel and tourism development to the KTC. Section 32 amends K.S.A. 74-5005, which provides the powers and duties of the department of commerce. Subsection (k) requiring the secretary to encourage and promote tourism in the state is stricken.

Effective Dates

Sections 1 through 18, 26, 27, 28, 33 and 34 of the bill pertain to the establishment of the KTC and its funding source. These provisions take effect on July 1, 2008. Sections 19 through 25 and 29 through 32 pertain to the transfer of powers, duties, functions and funds to the KTC. These provisions do not take effect until January 1, 2009, after the corporation has been established. Sections 1 through 28 will sunset on July 1, 2013 and must be reviewed by the legislature prior to that date.

Attachment

Exemptions From Certain Statutes

<u>K.S.A. citation</u>	<u>Exemption</u>
12-1675 through 12-1677	From the conditions and limitations on the investment of public funds.
45-401 through 45-413	From the requirements for the preservation of government records.
75-2925 through 75-2975	From the Kansas Civil Service Act.
75-3701 through 75-37,119	From the provisions relating to administration by the Department of Administration.
75-4362	From the drug screening program for certain state employees administered by the Department of Administration.
75-4701 through 75-4717	From the requirements regarding information systems and communications.
77-501 through 77-550	From the Kansas administrative procedure act.

Kansas Department of Revenue
Office of Policy and Research

1-6

State Sales Tax Collections for Tourism related businesses for Travel Industry Association of Kansas						
	FY 2007 thru May Collections	FY 2006 Collections	FY 2005 Collections	FY 2004 Collections	FY 2006 Locations	
71 Arts, Entertainment, and Recreation						
711 Performing Arts and Spectator Sports						
7111 Performing Arts Companies						
71111 Theater Companies and Dinner Theaters	\$ 748,909	\$ 817,710	\$ 826,678	\$ 807,762		30
71113 Musical Groups and Artists	\$ 72,191	\$ 112,859	\$ 96,748	\$ 63,842		33
71119 Other Performing Arts Companies	\$ 2,245	\$ 4,309	\$ 1,404	\$ 6,561		
7112 Spectator Sports						
71121 Spectator Sports	\$ 2,833,003	\$ 2,274,290	\$ 2,239,126	\$ 494,451		7
7113 Promoters of Performing Arts and Sports						
71131 Promoters of Events with Facilities	\$ 75,545	\$ 85,569	\$ 63,713	\$ 34,494		46
71132 Promoters of Events without Facilities	\$ 753,548	\$ 584,511	\$ 622,836	\$ 824,506		10
7115 Independent Artists, Writers, and Performers						
71151 Independent Artists, Writers, and Performers	\$ 43,441	\$ 42,656	\$ 36,730	\$ 40,777		18
712 Museums, Historical Sites, Zoos, and Parks						
7121 Museums, Historical Sites, Zoos, and Parks						
71211 Museums	\$ 265,670	\$ 255,840	\$ 236,218	\$ 241,228		84
71212 Historical Sites	\$ 12,378	\$ 20,347	\$ 14,405	\$ 16,566		5
71213 Zoos and Botanical Gardens	\$ 153,028	\$ 133,030	\$ 160,296	\$ 132,644		5
713 Amusement, Gambling, and Recreation						
7131 Amusement Parks and Arcades						
71311 Amusement and Theme Parks	\$ 146,377	\$ 209,067	\$ 182,320	\$ 246,335		18
71312 Amusement Arcades	\$ 299,909	\$ 315,857	\$ 339,096	\$ 381,447		34
7132 Gambling Industries						
71329 Other Gambling Industries	\$ 14,472	\$ 16,189	\$ 16,841	\$ 22,536		7
7139 Other Amusement and Recreation Industries						
71393 Marinas	\$ 85,368	\$ 120,594	\$ 94,767	\$ 100,473		21
71394 Fitness and Recreational Sports Centers	\$ 2,846,596	\$ 2,918,554	\$ 2,692,603	\$ 3,556,364		268
71395 Bowling Centers	\$ 1,608,120	\$ 1,610,083	\$ 1,525,654	\$ 1,611,539		97
71399 All Other Amusement and Recreation Industries	\$ 1,978,281	\$ 2,036,368	\$ 1,983,684	\$ 1,665,980		242
2-digit Total	\$ 11,939,081	\$ 11,557,833	\$ 11,133,119	\$ 10,247,505		924

Kansas Department of Revenue
Office of Policy and Research

1-1

State Sales Tax Collections for Tourism related businesses for Travel Industry Association of Kansas						
	FY 2007 thru May Collections	FY 2006 Collections	FY 2005 Collections	FY 2004 Collections	FY 2006 Locations	
72 Accommodation and Food Services						
721 Accommodation						
7211 Traveler Accommodation						
72111 Hotels (except Casino Hotels) and Motels	\$ 23,461,204	\$ 24,361,751	\$ 21,922,002	\$ 20,614,393		677
72112 Casino Hotels	Confidential	Confidential	Confidential	Confidential		
72119 Other Traveler Accommodation	\$ 155,762	\$ 177,429	\$ 146,645	\$ 147,915		42
7212 RV Parks and Recreational Camps						
72121 RV Parks and Recreational Camps	\$ 41,320	\$ 57,958	\$ 53,262	\$ 65,800		31
7213 Rooming and Boarding Houses						
72131 Rooming and Boarding Houses	Confidential	Confidential	Confidential	Confidential		
722 Food Services and Drinking Places						
7221 Full-Service Restaurants						
72211 Full-Service Restaurants	\$ 56,777,300	\$ 59,841,574	\$ 55,976,209	\$ 55,173,323		2,372
7222 Limited-Service Eating Places						
72221 Limited-Service Eating Places	\$ 64,304,856	\$ 68,078,881	\$ 66,353,476	\$ 64,454,014		1,332
7223 Special Food Services						
72231 Food Service Contractors	\$ 866,669	\$ 920,723	\$ 1,002,703	\$ 937,311		40
72232 Caterers	\$ 1,654,315	\$ 1,559,808	\$ 1,351,542	\$ 1,195,983		131
72233 Mobile Food Services	\$ 88,614	\$ 97,476	\$ 93,355	\$ 21,660		87
7224 Drinking Places (Alcoholic Beverages)						
72241 Drinking Places (Alcoholic Beverages)	\$ 18,402,862	\$ 19,029,571	\$ 13,287,736	\$ 10,798,735		1,211
2-digit Total	\$ 165,827,108	\$ 174,194,561	\$ 160,264,823	\$ 153,478,982		5,928
Total	\$ 177,766,189	\$ 185,752,394	\$ 171,397,942	\$ 163,726,487		6,852



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Testimony to the House Economic Development & Tourism Committee

By

Dick Carter, Jr.

Executive Director

Travel Industry Association of Kansas

March 24, 2008

Committee Chair Gordon, and members of the House Economic Development and Tourism Committee:

My name is Dick Carter, and I serve as the executive director for the Travel Industry Association of Kansas. I am pleased to present to you today the final work product of the Kansas Tourism Initiative taskforce – and the recommendations that will shape the way we approach tourism promotion and development in Kansas into the future. Contained in my comments, as well, are updates to SB 501, which is not Sub SB 501.

My comments to you will be brief today, as with us are eleven different tourism professionals from every corner of this state who will stand before you to express in their own words why the recommendations that make up Sub SB 501 are so important for the future of tourism in Kansas. I urge you to thoroughly absorb their comments as they are the folks in the trenches that sell Kansas to travelers day-in and day-out. These tourism veterans know first hand the economic impact tourism has on Kansas' bottom line – and we want to help the state grow that bottom line.

I will summarize several important points for your consideration:

- These recommendations have been developing in the industry since the creation of a formal tourism division in 1982. The Kansas Tourism Corporation (Visit Kansas) will empower the state and the industry to better work together to take our message to a new audience...an audience willing to explore all our state has to offer if we just invite them.
- Partnerships – It has never been our intent to diminish the great work presently occurring in the division of travel & tourism. Unlike most industries, the relationship between the industry and the state travel office is more like a fraternity. We depend on each other to work together to get the message out – and to better develop our product. Equipped properly, we believe we could accomplish great results and bring more dollars to the Kansas economy.
- Inclusion – this two-year process has involved traveling the state and meeting with industry (and non-industry partners) to develop what you have before you today. This work product represents a unified voice that is a result of folks getting together who have

Economic Development & Tourism

Date: 3-24-08

Attachment # 2-1

in some cases been on the opposite side of issues - around one table to find a solution for elevating the cause of tourism.

- Structure – SB 501 would establish the Kansas Tourism Corporation (KTC) to oversee tourism development and promotion.
 - 13 member board
 - Quasi (public/private) agency accountable to the Legislature
 - Flexible, free of bureaucracy, Competitive

Twelve travel directors in twenty-five years does not say much about a consistent “effort and message” to the industry. We have to curtail the revolving door effect, based on ever-changing administrations, for travel directors at the state level. The industry is also concerned that the reorganization of efforts at Commerce further buries the travel & tourism division under a marketing arm – when the intent of the statute was to have the division director report directly to the Secretary (K.S.A 74-5032). That move sends a message to the industry that tourism is now just a “marketing decision.”

Tourism as an independent operation is not a new idea or recommendation. In its report to the Legislature in 2006 and 2007, the Joint Committee on Arts & Cultural Resources recommended that a new “Department of Tourism” be established to focus exclusively on tourism in Kansas. The 2007 report went on to say, “The Committee believes that, currently, the Department of Commerce is an agency with multiple duties and facets and more attention would further tourism in Kansas.”

We would further submit that the KTC as outlined in SB 501 would have greater legislative oversight of travel and tourism activities than in the present scenario. Legislators would be appointed to the board of directors of the KTC. Regular review by Kansas, Inc., is included in the language in the bill. The Legislature can, at any time, request a Legislative Post Audit of the functions of the KTC.

- Funding Stream – We met in early February with Secretary Joan Wagon to address and remedy concerns expressed by the Department of Revenue with respect to the NAICS codes revenue generator. This funding is based on industry performance and is broken down into two categories:
 - Current funding to the division would be retained – approximately \$4.1 M (FY 08)
 - Growth in NAICS revenue collections, establish 2007 as a base year – approximately \$2.5 M in the first year, with the anticipation that revenues increase each year.

Earlier this year the press reported a reduction in the division of travel & tourism budget for FY 2009. We understand that reorganization and re-allocations have occurred at the Department of Commerce to support a more robust marketing effort to attract business development as well as tourism promotion. A group of industry leaders have held an

initial meeting last week with the Secretary of Commerce to discuss budget allocations and perceptions held by the tourism industry. While we take Secretary Kerr at his word that the budget will be held whole for FY 2008 and FY 2009, we still have concerns about the budget as we look to FY 2010 based on calculations and re-allocations we've learned of in the past few months. We will continue to dialogue with the Department regarding budget issues related to the Division of Travel & Tourism.

At the outset of this initiative, which began nearly two years ago, it was our goal to communicate openly – and with open minds. We did not make assumptions, nor did we limit our imaginations to the results that ultimately define SB 501.

As part of our effort to keep everyone “in the loop” with respect to our plans and intentions, I traveled the state, seeking input, speaking to civic groups, chamber meetings, annual conferences of associations and more. I began meeting with staff at the Kansas Department of Revenue as early as September of 2007 to inform them of our initial findings regarding KTC funding stream recommendations. I continued those meetings in late September and October with the Governor's Staff, as well as Kansas Department of Commerce Secretary David Kerr.

As you well know, change can be difficult and certainly this change is not without its challenges. We prefer to view them as opportunities...opportunities to rethink the way we attract travelers to this state. Opportunities to grow the Kansas economy by making a simple investment in a product that research and experience shows will return multiple times what we put into it if managed properly. Opportunities to become a leader in the nation – other states are watching what we are doing with respect to the tourism initiative right now. The time for change is now.

Finally, I would like to leave with you two thoughts:

Attached are two press accounts of Maryland and Michigan both considering making significant investments in their tourism efforts. Each state is looking at multi-year, multi-million dollar enhancements that will pay off in significant return on investment.

The recommendations before you represent – a voice from a multi-faceted industry that has come together for the first time in 25 years to recommend a long-term, consistent, professional, and accountable solution to take tourism to the next level – and bring more dollars to Kansas...and Kansans.

We respectfully request your support for the favorable passage of SB 501.

BALTIMORE BUSINESS JOURNAL

Friday, February 29, 2008

Legislation: Increase tourism dollars

Baltimore Business Journal - by [Julekha Dash](#) Staff

Maryland lawmakers are weighing legislation that would nearly triple the state's tourism marketing budget in five years -- a move that could boost the state's ability to compete with its mid-Atlantic neighbors.

Modeled after a similar bill in Missouri, the legislation proposes using a portion of the sales tax revenues from tourism-related industries to boost the state's budget starting in 2011. That would increase the state's tourism marketing budget from \$7 million in fiscal 2009 to an estimated nearly \$21 million in 2013, according to projections from state policy analysts.

State leaders have not determined which industries would funnel tax revenues to support tourism promotions, but it could include car rental companies, restaurants and tourism attractions.

The bill also proposes that the state allocates an additional \$3 million to tourism from its general fund, to a total of \$10 million, in 2010.

The idea is that if the state spends more money on tourism promotions, sales among car rental companies, restaurants and other tourism-related industries will rise along with tax revenue.

But after 2010, the state's tourism marketing budget would rely more on the sales tax revenue and less on the state's general fund contribution for its funding.

Though the tourism promotion plan has the backing of key legislators, the bill faces an uphill battle given the state's fiscal crunch.

The state anticipates a budget shortfall with less revenue coming in from sales, property and other taxes, due to an economic slowdown, said Rick Abbruzzese, a spokesman for Gov. Martin O'Malley. The state could shave another \$150 million to \$300 million from the budget next month, he said. "We're facing significant challenges with regard to the budget," Abbruzzese said, adding the governor has not yet reviewed the tourism promotion bill.

Tourism executives have been fighting for an increase in the promotional budget for years, but have made headway this year because Sen. John C. Astle, an Anne Arundel County Democrat, has pushed for it. Astle is on the [Maryland Tourism Development Board](#), which helps guide state tourism marketing and policy.

"If we don't do anything, nothing is going to happen and people are going to visit Pennsylvania, West Virginia and maybe even Delaware," Astle said.

Tourism leaders point out that Maryland's budget of about \$12 million on state tourism spending pales in comparison to other states.

Pennsylvania, with a \$35 million budget, spends nearly three times as much. Virginia spends \$16 million.

West Virginia has about \$7 million for state tourism promotions, but a portion of revenue from video slot machines rings up another \$20 million for individual attractions that have to apply for grants to receive the money.

More money spent on state tourism promotions will help the state win more convention business, said Mary Ann Cricchio, owner of Da Mimmo restaurant in Little Italy. Restaurants often spend their own money to promote their eatery or neighborhoods.

"We need this dedicated funding for tourism," she said.

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2-5



\$40 million sought to promote Michigan tourism

Posted by ANDREW McGLASHEN | Capital News Service March 14, 2008 12:31PM

LANSING - Most of us are tired of winter in Michigan, but Steve Yencich wants to see a lot more of it.

Yencich, president of the Michigan Lodging and Tourism Association, told the House Tourism, Outdoor Recreation and Natural Resources Committee that the state should add a record \$40 million to its tourism budget and, for the first time, promote winter recreation.

And he wasn't alone.

"On two days' notice, 53 people from the tourism industry showed up to show their support" before the committee, he said.

The legislation won unanimous approval in the committee and is awaiting a full House vote. Its primary sponsors are Reps. Kate Ebli, D-Monroe; Terry Brown, D-Pigeon; and Kenneth Horn, R-Frankenmuth.

Funding would come from refinancing tobacco settlement bonds.

The \$40 million would be used over two years for travel advertising. Another \$20 million would be spent to promote business development under the legislation.

Yencich said the money is sorely needed, and that he is "very pleased and very grateful" that the legislation is moving.

In the past, he said, "we've had our head handed to us on a budgetary platter" for not lobbying strongly enough.

"But I don't blame that on the legislators," he said. "I blame that on us, on the tourism industry."

State funding for travel promotion bottomed out at \$5.7 million in 2004, according to George Zimmermann, vice president of the Michigan Economic Development Corp.'s Travel Michigan division.

In 2006 and 2007 that figure rose to \$13.2 million due to a boost from the 21st Century Jobs Trust Fund, allowing the division to launch its Pure Michigan campaign, which won national awards for best state tourism advertising and best state television ads in 2007.

In addition to funding the new winter ad campaign, Zimmermann said the money would be used for national cable TV spots for Michigan's summer attractions. Past advertising has been only regional.

Those regional campaigns have proven that tourism advertising is a good investment, Zimmermann said. Between 2004 and 2006, they led to 2.6 million trips to Michigan, which he said put \$2.70 into the state treasury for every ad dollar.

And that economic boost, Zimmermann added, "is almost immediate. The majority of it happens in the same year."

Sally Laukitis, executive director of the Holland Area Convention and Visitors Bureau, said the ads are working on the

Lake Michigan shore.

"We actually do get people saying 'We heard the most wonderful ads about Michigan and we just had to come,'" she said, adding that about 40 percent of the bureau's visitors mention the Pure Michigan spots.

Brian Lawson, public relations manager for Crystal Mountain, a ski resort in Thompsonville, said he hopes that winter travel promotion would be as successful as the summer ads.

"In the past it's been under-promoted, and the state has a lot to offer in winter," he said. "From a Midwest skiing standpoint, Michigan is where it starts and stops."

Michigan's tourism industry employs roughly 200,000 people, Zimmermann said, and drawing more visitors would increase that figure.

"Those jobs are created by demand," he said, "and they can't be outsourced."

Rep. Horn said he expects the legislation to move quickly through the House, but said the Senate "is looking at it with a curious eye."

But Zimmermann said it's imperative that the money be approved quickly. To be effective, summer ads must be on the air by May 1 at the latest, he said, so Travel Michigan must be guaranteed the funding by the first of April.

"Otherwise we'd have to wait until 2009," he said. "That's just a lost opportunity - you never get it back."

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KCK Chamber
Partnering for Success

**TO: MEMBERS OF THE ECONOMIC DEVELOPMENT AND
TOURISM COMMITTEE**

**FROM: CINDY CASH, PRESIDENT
KANSAS CITY KANSAS AREA CHAMBER OF COMMERCE**

RE: SUPPORT FOR SUB SB 501

DATE: MARCH 24, 2008

The Kansas City Kansas Area Chamber of Commerce supports the passage of Sub SB501 and urges the Economic Development and Tourism committee to pass it out of committee allowing it to go the House floor.

The KCK Chamber has seen first hand the effects of a successful tourism industry in Wyandotte County. The tourism district known as Village West brought needed retail, restaurants and attractions to our community. In turn those businesses have created jobs in and of them self as well as what I refer to as the "trickle down" effect. Other businesses provide goods and services to these new businesses, which increase the business they do thus they, then too add employees and buy more goods and services from other businesses.

Our community and the state have also seen more property tax dollars coming in which allow both to have some additional dollars to put in other areas. In KCK, we have seen some of these dollars being used in urban redevelopment.

In 2013 when the initial STARBONDS are paid off, even more financial benefits will occur when sales tax dollars begin to flow into city, county and state coffers.

In addition to the partnership efforts between Kansas City, Kansas and the State, the city hired a master developer outside of city staff to develop these four hundred acres. This was their job, their only job. Yes, people at the city were heavily involved as were folks from the Department of Commerce, but the Master Developer was the entity charged with making something happen at Village West.

Economic Development & Tourism

Date: 3-24-08

Attachment # 3-1

I see Sub SB501 as something similar. The State through the Department of Commerce has a huge help to the development of Village West, but it was not their primary task to make this happen.

I've been involved with Tourism in Wyandotte County since 1993. I was involved at the state level at the very beginning and felt even so long ago we needed a tourism entity that was devoted to tourism only as well as enough money to market our state. Tourism is booming and tourism has become an industry that continues to grow as folks travel to see and experience things. The state of Kansas is in a perfect position for the tourism industry because we are in the middle of the country and are a days' drive for over 50 million people and we offer unique "Americana" experiences for overseas travelers.

I am very sensitive to budget dollars and I believe Sub S501 offers that in the increase from income will come from the increases in the industries tourism affects. That shows the return on investment and this plan in a business sense.

But we need to market what we have to travelers and that cannot be done without more dollars and without the necessary long range planning and oversight a political office just cannot offer. The time has come for a separate entity.

I am very sensitive to the plan to separate the tourism function from the Department of Commerce. In fact, my chamber and I will be waiting for a similar decision making process this year as our government determines whether to split the convention and visitor bureau function from the KCK Chamber where it has been since 1994. I personally know change such as Sub SB501 is a difficult thing to face for a great department like our Department of Commerce. But while I have mixed feelings about a possible change to my own organization, I have gone on record as saying if it is determined it is the right thing for our community, I will support it.

I do believe for the state of Kansas the time has come for a separate Tourism entity for the state of Kansas to position and give our tourism industry the best chance to grow and in that growth create more business and prosperity for the entire state. Please vote to approve Sub SB 501 in your committee and pass it on to the full House.

Thank you for your consideration.

Please accept this for submission as verbal testimony to be given by Jim Zaleski FCDME, Director of Tourism, Labette County, Kansas to the House Committee on Economic Development and Tourism. (Approximately 500 words, 3 minutes reading time)

Thank you.

Honorable Members of the House Committee on Economic Development and Tourism:

My name is Jim Zaleski, and I am the Director of Tourism for Labette County, Kansas. I am also proud to be the only Fellowship designated Certified Destination Management Executive in the state of Kansas, having earned this designation from the International Association of Convention & Visitor Bureaus.

I know that everyone's time is valuable so I will make my comments brief. I want to start out with a short anecdote that provides a look at the operations of our current system. Recently everyone that received a grant from the department of tourism last year was asked to quantify this grant in measurable outcomes. Now, normally this would not be seen as an unusual request? However, this request comes on March 18, 2008 for the grant fiscal year of 2007. It is painfully obvious that no one associated with tourism or even having the slightest idea of what tourism is or how it works requested this information. Grants issued in '07 are for marketing programs, advertising campaigns or collateral pieces that may not have even had the printing press turned on yet, or even seen the light of an open magazine page or a newspaper placement. Even if they had, the bare nature of the tourism industry provides for quantifiable returns over years not months. Anyone even remotely involved in the tourism industry understands this. This simple request does nothing but fills the pages of a bureaucratic report with meaningless results. By doing this it places an exclamation point on exactly why 501 should be passed in its current form and the Kansas Tourism Department and its knowledgeable employees removed from under the direction of a government

Economic Development & Tourism

Date: 3-24-08

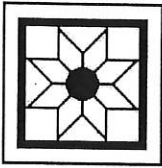
Attachment # 4-1

entity, which has little to no understanding of the tourism process. It is the status quo that dictates this action, providing us with a prime example of wasted time, energy and subsequently dollars.

Now, I would like to expand on those exact dollars for just a moment, while I know you all understand the workings of how the new Kansas Tourism Corporation would be funded, it bears repeating that the new funds allocated in this legislation are based on growth. The growth of the tourism industry itself will provide the additional funds of that same industry. I pose a challenge to any other entity coming before you this legislative session asking for additional funds to provide for those new funds in this same manner.

In closing, I must say, it is embarrassing to watch as the currently proposed budget provides for a 17% percent cut in the exact industry we are discussing here today and if that budget were to pass our state would rank somewhere around 47th or 48th in the nation, in tourism funding. That should not only be embarrassing to you and me and to everyone in this room but to our governor and every resident of this great state. I urge you to work this bill and send it to the floor favorably in its current condition.

Thank you very much for your time and attention.



Kansas Sampler Foundation
978 Arapaho Road
Inman, KS 67546
www.kansassampler.org

**Testimony in support of Sub SB 501 to the House Committee
on Economic Development & Tourism**

March 24, 2008

By Marci Penner, Director, Kansas Sampler Foundation

Committee Chair Rep. Gordon and members of the House Economic Development and Tourism Committee. My name is Marci Penner, director of the Kansas Sampler Foundation. The mission of the non-profit Kansas Sampler Foundation is to preserve and sustain rural culture. The focus of my testimony will be rural Kansas.

I had the great pleasure to visit every one of the 627 incorporated cities in Kansas for the book, *Kansas Guidebook for Explorers*. My travels convinced me that some of the places that would give international, national, and Kansas visitors the greatest of pleasures are located in small towns. Most of these towns don't have paid staff for tourism efforts nor do many of them even having lodging in their towns so there isn't any dedicated funding through the guest tax.

Some of the most unique attractions are found in small towns. Those attractions include local cafes with terrific made-from-scratch food, the Garden of Eden in Lucas, Constitution Hall in Lecompton, Big Brutus near West Mineral, St. Mary's Church in St. Benedict, the Chase County Courthouse in Cottonwood Falls, and many, many more places. There is a target audience that absolutely loves these small town experiences. We often refer to these small town experiences as Explorer Tourism.

Explorer Tourism and traditional tourism can be integrated to create a unique and attractive offering to a large and diverse audience. A new statewide tourism model would allow that integration to occur and to thrive. With the current system, the budget, red tape, and policy constraints don't allow the necessary flexibility for a new model to flourish. A new tourism model could provide a spark that would slice across the many levels of the Kansas economy.

The performance-based funding method is a challenge we are excited to accept. This kind of funding will also finally allow legislators, city and county governments, and state agencies to see the value of tourism in Kansas. We can back up this kind of funding request through performance in every county.

Economic Development & Tourism

Date: 3-24-08

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As it is, tourism in Kansas has been doing the best it can despite being handicapped by a budget that is at the lower end of almost every category when compared to other states. The longer we move along with an inadequate budget and other restrictions, the larger the gap grows between possibilities that would make economic differences and realities. A larger budget with the current state tourism model would be a huge help but to take Kansas tourism to a dynamic level, a new model is essential. A tourism machine is needed that can respond to the many variables that make up Kansas tourism. Wichita, Overland Park, Topeka, Wyandotte County, and other metro areas have some tremendous tourism attractions. Small cities do, too, but are so different in how they operate. We need a state tourism organization that is flexible enough to respond to the many different needs or has the budget and vision to partner with those that can.

Many small cities are at a tipping point. Will they make it or not? Tourism is one tool that can allow grassroots efforts to take place and flourish enough to make a noticeable economic difference.

In the last couple of decades, most cities in Kansas are undergoing a major transformation in regards to their purpose and their economic strengths. Tourism must be effective as an economic development tool for it to work in Kansas.

We need to see tourism as we've never seen it before. We need to challenge ourselves to go beyond standard practice and create innovative paradigms that will integrate the richness of our diverse attractions. This can be achieved with a program that is flexible, stable, and has some dedicated legislative funding, and is responsive. The old politically driven tourism paradigm is no longer effective. The new model must be run as a high-tech business fueled by innovation. A key will be those selected to sit on the board. If their mission is merely oversight, the challenge will be difficult. If their purpose is to push innovation and inclusion, then the synergy should help us achieve new heights.

Skepticism to this plan is not unexpected. Tourism has been misunderstood in regards to our assets, under-appreciated as an economic development tool, and completely overlooked in terms of funding support. The message to the tourism assets in the state and the rest of the world is that we, as a state, haven't believed in ourselves. So, then, why should anyone else? We must all stand up together now and find a way to make this work. This is an economic development tool that can truly help cities of every size.

KTI is the best option on the table now to develop this new paradigm, to breathe life into the many possibilities that exist. Kansas could wow the nation if we do this right. The time is now.

GEORGE LAY SIGNS INC.
1016 N Waco
Wichita, KS 67203
316-262-0433

Kansas House Economic Development and Tourism Committee

Ms. Lana Gordon, Chair

Ms. Terrie Huntington, Vice-Chair

Ms. Valdenia Winn, Ranking Minority Member

Ms. Barbara Craft

Mr. Owen Donohoe

Ms. Geraldine Flaharty

Mr. Gary K. Hayzlett

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Mr. Don Hill

Ms. Judy Morrison

Mr. Don V. Myers

Mr. Robert Olson

Mr. Gene Rardin

Mr. Vern Swanson

Ms. Annie Tietze

Mr. Mark R. Treaster

Mr. Ron Worley

Madame Chair and members of the Committee,

My name is John Lay and I operate a second generation family owned electric sign and billboard business in Wichita. I became involved in Kansas tourism activities about 25 years ago after my dad acquired a group of billboards in central and eastern Kansas. I quickly learned about how our billboards could help bring customers in to rent motel rooms, buy restaurant food, and visit local attractions. At that time, the Kansas Travel and Tourism Division was in its infancy, with just a few employees, and a very small budget.

As I look back over these 25 years, some things have changed, and others have stayed the same. Every year, travel and tourism asks for more budget, and in most years, it gets modest increases. But Kansas still hasn't managed to move out of the bottom five states for tourism promotion spending. Also, as I look back over these years, I can remember some, but not all, of the numerous state tourism directors we have had. We have had some winners, and some losers – but all of them have been political appointees, with an average longevity of about two years in the job. Many of these appointed directors had never worked in the travel and tourism industry. Fortunately, the current division director brought a wealth of experience to the job, having worked in local tourism promotion for over 25 years.

Economic Development & Tourism

Date: 3-24-08

Attachment # 6-1

As a business person though, I think it's not all about more tax dollars – although promotional activities could certainly be stepped up with increased funding. The big part about Sub SB501 that I'm attracted to is the organizational piece. This proposal will provide for hiring an industry professional to head the division – hopefully free from the political winds that have prevailed for the last 25 years – and provide for the much needed continuity of leadership that has never been able to take place under the current structure. My observation is that travel and tourism has been the ugly stepchild within the Department of Commerce for too many years. Unfortunately, even our Department of Commerce has had a difficult time viewing tourism to be legitimate economic development, which it certainly is. The time has come to let Kansas travel and tourism stand on its own, with appropriate legislative and regulatory oversight.

I'm also excited about having performance based funding for tourism promotion. As tourism promotion works for Kansas businesses, the resulting tax revenues can be directed toward increased tourism funding. I would love it if tourism funding grew at double digit rates each year – it would show that our efforts are paying off.

I urge your support for Sub SB 501. Thank you for your time.

Best Regards,

John Lay, President
GEORGE LAY SIGNS INC.



Testimony by Richard Forester, Pres. Visit Topeka, Inc. and the Travel Industry Assn. of Kansas

To; The Kansas House Economic Development & Tourism Committee
Monday, March 24, 2008

Dear Madam Chair and members of the committee:

My name is Richard Forester; I am President of Visit Topeka, Inc. the Destination Marketing Organization for the State Capital. I also serve as 2008 President of the Travel Industry Assn. of Kansas. In that light I am speaking to you today as the representative of the tourism industry in our state. That industry has come together to support the Kansas Tourism Initiative as detailed currently in sub SB 501.rural and urban, big city and small town, east and west, cultural tourism, heritage tourism, agritourism, ecotourism, we support this because we know this is the best chance we have to finally get something done for an industry that has been sorely neglected for much too long.

We are seeking to break out of the box, to do something revolutionary...but that is not unusual for Kansas. That is our heritage. Kansans throughout the history of this country have been leaders and innovators. We are tired of hearing all about the Missouri example for promoting tourism, it's time people started talking about how Kansas is doing it.

I know from my own experience that the impact of tourism can be accurately and effectively measured. Many other states do it, and as a result they know the overwhelming return on investment. That is the reason Missouri will increase its level of investment in tourism promotion by more than \$4 million in the next two years. That increase in Missouri's budget represents the total amount we spend.

The tourism industry in Kansas has invested money, time and effort to produce the key to these better more lucrative results. The key is the Kansas Tourism Initiative. We, as an industry ask that you join us in supporting it.

Kansas Begins Here.

800-235-1030 • 785-234-1030 • fax 785-
1275 SW Topeka Blvd. • Topeka, KS 66612 • www

Economic Development & Tourism

Date: 3-24-08

Attachment # 7



**Testimony in Support of Sub SB 501
to the
House Committee on Economic Development & Tourism**

March 24, 2008

By
Linda Craghead, Executive Director
Flint Hills Tourism Coalition, Inc.

Committee Chair Gordon, and members of the House Committee on Economic Development & Tourism, my name is Linda Craghead, the Executive Director of the Flint Hills Tourism Coalition. I am providing written testimony today on behalf of the Coalition to Sub Senate Bill 501 and legislative changes that it is encouraging. The Flint Hills Tourism Coalition is made up of representatives of several organizations & representatives from 22 counties throughout the Flint Hills....From the Nebraska border all the way down south to the Oklahoma border. We consist of a group of people from multiple counties & diverse backgrounds of whom many reside in the areas you represent.

We initially got together in the Spring of 2005 to discuss the potential of working together to market ourselves as the "Flint Hills Region" at the Kansas Sampler Festival. Little did we know that Governor Sebelius had a similar idea....however, her ideas were just a tad bit bigger.... In 2005, with full support of the Governor, the Kansas Department of Commerce, Travel and Tourism Division contracted with FERMATA, to provide a strategic assessment of tourism opportunities within the Flint Hills. The recommendations received broad based support early on from the Governor and her administration. As a result, in the Fall of 2005 the Coalition was charged with the responsibility to effectively and responsibly pursue the development of the Flint Hills as a tourism destination.

A tourism destination you say? Hmmm.....when I graduated from K-State, I would have said "people who thought this way were crazy". After all, Kansas was a great place to be FROM. However, as a member of Cargill's management team, I had the wonderful opportunity to live in and travel to many places throughout the United States & beyond. Because of this experience, I was enlightened. Not only was Kansas a great place to be from, I realized it's also a great place to live, work, raise a family AND VACATION.

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Recently a friend from the amusement park capital of the world, Orlando, brought his family to Kansas for vacation. His friends thought he was crazy. However, I can assure you they've since been enlightened as well....by the time Tom left, his family was begging to come back next year. His kids claimed it was the best family vacation they had ever had.....too bad it's been such a secret.

Why is Kansas such a secret? Why is Kansas' Tourism marketing & promotion budget ranked 48th in the nation? Is it because we don't have the money to promote it, or is it really because we don't consider tourism to be a priority....are we ourselves among those who would look comically at people who tell us they are planning a vacation in Kansas?

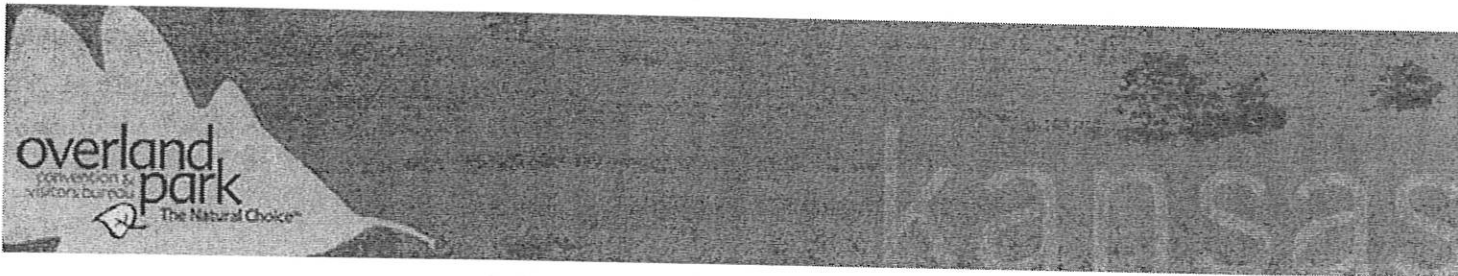
The Flint Hills Tourism Coalition knows we have a great opportunity to help our rural communities enhance their economic vitality through tourism. Over the last two years, we've come a long way. We have used the Fermata report as a springboard to set our priorities and pursue our potential. We have accomplished many of its objectives; however, it doesn't benefit a winning team to bask in the glory of winning a couple games, instead, we have to focus on the challenges & opportunities that lie ahead of us. We must dare to dream....to challenge ourselvesWe must dare to change from the "what has been", to the "what could be".....to create a system that encourages us to think regionally, to set aside our selfishness and unify our efforts regardless of our municipality, party affiliation or our individual motives. We must make our choices based on the greater good. Over the last two years, the Coalition has met on a monthly basis to dialogue and collaborate on what that "greater good" should be. The process continues, however. the Coalition firmly believes that we must seriously discuss and consider the alternative ideas presented in Sub Senate Bill 501. We believe that the successful passage of Sub Senate Bill 501 would enhance our overall ability to achieve our goals....Goals that were identified in the Fermata report. Goals that include significant product development such as our intent to build a Regional Visitor Center in the Flint Hills, to enhance our National Preserve with an interpretive center, and to pursue a National Heritage Area Designation for our Region....We must do our part to improve the economic vitality of our rural communities through our commitment to tourism. Passage of Sub Senate Bill 501 will truly enhance our ability to do this.

Thank your for your time and due consideration in this matter.

Linda Craghead, Executive Director
Flint Hills Tourism Coalition, Inc.
P.O. Box 244
Alma, KS 66401

Telephone: 785.765.2622
Toll Free: 866.660.2622
Mobile: 785.341.2159

8.2



Testimony in Support of Substitute SB 501
to the
House Committee on Economic Development & Tourism
by
Gerald L. Cook, President
March 24, 2008

Committee Chair Gordon, Vice-Chair Huntington, Ranking Minority Representative Winn and members of the House Committee on Economic Development & Tourism, good afternoon. My name is Jerry Cook. I am the President of the Overland Park Convention & Visitors Bureau. Thank you for the opportunity to present our support for the passage of Substitute SB 501.

Five foundational principles underscore my full support for Sub. SB 501. The first is the creation of a new statewide tourism organization: **Visit Kansas**. Visit Kansas is an initiative that will provide operational enhancements, positively supporting travel/tourism strategies throughout the state. It is a widespread collaboration of industry representatives that is developing a base of statewide integration, rather than statewide interdependency. An attitudinal shift of cooperation and alliance is transcending self-serving emotions and positions of isolation. Visit Kansas is embedded with organizational structure and goals that empower effective tourism policy strategies.

The second principle is **Performance Based**. The bill identifies new sources of revenue, which support Visit Kansas. Such new funds are available to the degree of success the initiative experiences. We sincerely believe Visit Kansas will create economic enhancements for local communities, the state's general fund and resources to support and grow Visit Kansas. If Visit Kansas does not perform to expectations, the dollars will not be available for distribution.

A Focused Identity for Kansas Tourism is the third principle. Visit Kansas outlines a new and fresh organizational framework outside of the Department of Commerce. Tourism is a non-traditional state business and should not be held captive of state mandates or regulations. Spontaneous creative visioning and responsive

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Attachment # 9-1

but moral actions need to flow in a timely fashion. The creation of an independent board of directors will be empowered to create and drive "speed to market" strategies.

Accountability is the fourth. State, county and local government outcomes absolutely need to be sensitive to performance oversight. Nine of the thirteen proposed board members will be appointed by the Governor and legislative bodies. In the third year, Kansas Inc. will be required to review effectiveness. The legislature can request a Legislative Post Audit at any time. A sunset provision is included for review in 2013.

And finally, a **Research Component** is a primary cornerstone of Visit Kansas. Current data clearly describing who our visitors are, why and when they experience Kansas, and where and what they like to do is imperative in supporting contemporary and effective marketing strategies. Frequency and sustainability of such contribute to long-term results.

I believe **Visit Kansas** provides our best opportunity to invest our state's resources wisely and most effectively. The decision process, resulting in a traveler's choice is highly competitive. **Visit Kansas**, this fresh new vision, more properly positions all of us to meet such competitive challenges. I ask for your positive support for Sub. SB 501 and subsequent hearing in the full house. Thank you once again for your time and all you do for the citizens of our state.



Fine Art
Conservation Framing

Testimony to the House Economic Development and Tourism Committee

March 24, 2008

Barbara Nelson

I am Barbara Nelson, chairperson of the Manhattan Convention and Visitors Bureau Steering Committee, and co-owner of the Strecker-Nelson Art Gallery in Manhattan.

I come to talk to you about what I see is the potential for the Kansas Tourism Initiative, which is an opportunity for the Kansas tourism industry to promote Kansas in an integrated manner, to potential tourists – whether passing through, Kansans traveling in their own home state, or coming to Kansas as a destination.

For me, the words are local and authentic. This is an investment we must make for the future of Kansas.

Kansas tourism is the exploration of the authentic Kansas, that which is unique and local, and which flourishes in spite of national flags shouting their brand. But how is the tourist – the person traveling for pleasure or culture – able to find that which is the authentic Kansas in the current landscape?

What Kansas has to offer is a hidden treasure – not only the geography but the history and the towns which dot the landscape, towns which can offer the flavor of Kansas if there was a more integrated tourism opportunity which would enable travelers to find that local and authentic experience.

As you are aware, tourism is a huge benefit to the State of Kansas; the difficulty is that tourism is formed and informed by a large group of small and unique sites which have no means to come together to be a force for change; but they are a force, struggling to make a difference in their communities.

It is my hope that the KTI will be able to promote the experience of Belleville or Logan or Oberlin or Overland Park in a cooperative way that incorporates



STRECKER
NELSON
GALLERY

Fine Art
Conservation Framing

the current Division of Travel & Tourism and expands the possibilities for all of us, making the outreach even greater.

My business represents and promotes Kansas artists; one cannot get much more local or authentic than that. There are many other attractions and opportunities in Kansas which also promote the local and the authentic and there isn't a coalition to help with their promotion.

The KTI and VISIT KANSAS will be able to integrate these opportunities so that all of the state will benefit. It is not an expense; it is an investment in not only the tourism opportunities, but on a wider range, the economic development of Kansas.

Thank you.

10-2

Statement to the House Economic Development & Tourism
Committee
March 24, 2008
Stephen Koranda

Please reflect on an iceberg. We're all familiar with icebergs – that large mass of ice floating in the ocean. When viewing an iceberg, one sees the tip above the water. Often one can mistakenly forget about the much larger mass of ice below the water.

If you recall the PowerPoint presentation from the Kansas Tourism Initiative representatives, we used the iceberg to represent travel and tourism. Above the water are the hotels, the museums, the restaurants and the entertainment venues – the tourism industry. The large mass of the "tourism iceberg" below the water and out of our minds as related to travel and tourism includes hairdressers, dentists, teachers and those many more that make up the tourism economy.

The tourism economy is the support for the tourism industry. Hairdressers and dentists... seriously, what sort of impression would Kansans make to visitors if our hair was un-kept and we flashed dirty, rotten teeth? And the skills to operate a hotel, manage a museum or prepare meals, they don't come through osmosis – they are developed through teachers.

Stretch? Perhaps but how is a hotel or restaurant or museum built? Business professionals research the market for a new, say, hotel. Financial advisors advise as to the viability of the project. Bankers analyze and provide a loan. Architects and engineers design the building. Concrete is poured. Steel manufactured. Wood cut. Both erected by construction companies. A parking lot paved. Roofers, plumbers, electricians, painters, glass manufacturers, masons, heating and air conditioning, lighting, computers, landscaping, security. Interior designers are fixing up the place with art and flowers. We have to furnish the place – beds, plumbing fixtures, tables, chairs, lamps, sheets, towels, and of course those little bars of soap. Utility companies are feeding electricity, gas, and water to the property. Market the property and you would need graphic designers, webmasters, printers, publishers, and media. Insurance agents insure the property. Banks deposit the funds. And of course attorneys have been involved all along the way.

Is there an industry that has not been touched by the construction and operation of a hotel? Is there an industry that is not touched by the construction and operation of a restaurant or museum?

Back to those hairdressers and dentists... clothing for the employees, cars so they can get to and from their job, daycare providers, groceries so they can be energized to do their job. Beds to sleep in. Appliances, furniture, TV... and that's all in a house. We just utilized another construction company! Health care providers, insurance, financial advisors, paychecks deposited into banks...

The proposal by the Kansas Tourism Initiative is not a proposal to assist merely the hotels and the restaurants and the museums. The proposal is to grow the tourism economy! The proposal is to grow the Kansas economy!

PriceWaterhouse estimates the proposed initiative would have a return of \$260 million dollars to the Kansas economy. That's not \$260 million to hotels alone or \$260 million dollars to museums. It is \$260 million to the construction companies, plumbers, furniture stores, florists, banks, printers, dentists and hairdressers. It's \$260 million for the state of Kansas.

Thank you in advance for your support of Visit Kansas! And thank you for your time, service and leadership in Topeka.

Stephen Koranda
Stephen Koranda & Associates
409 North Locust
Gardner, KS 66030
913-575-4538

C O M E S H A R E O U R S P A C E

HUTCHINSONThe Greater Hutchinson
Convention / Visitors Bureau

HOUSE ECONOMIC DEVELOPMENT & TOURISM COMMITTEE
TESTIMONY IN SUPPORT OF SUBSTITUTE SB 501
BY LEANN COX, DIRECTOR
GREATER HUTCHINSON CONVENTION/VISITORS BUREAU
March 24, 2008

We are very fortunate to have the **KS COSMOSPHERE & SPACE CENTER**, and the **KANSAS STATE FAIR** call Hutchinson 'home'.

Recently, we have also been able to promote the opening of one of the state's most unique attractions in the **KS UNDERGROUND SALT MUSEUM**. This project took seven years to complete, and we are all very appreciative of the involvement by the state with the availability of 'Star Bonds'. This project could have been completed much sooner if funding at the state level were available. Hundreds of thousands of dollars could have been generated for the state of Kansas. The current structure of the state travel office greatly limits any sort of funding assistance for this type of venture.

The state travel office is charged with '*increasing the number of visitors to Kansas*'. One way to attempt this is with regional advertising. When the state makes their investment in television buys, ideally the entire state benefits. But with the very limited state budget that is currently in place, the benefits that we receive locally are also very limited. Television advertising is extremely expensive but necessary in today's highly competitive market.

You have received written testimony from the KS Cosmosphere & Space Center and the KS Underground Salt Museum. I would ask you to please note each of their biggest obstacles is the ability to adequately market themselves. We need the State to assist with investment dollars to help with marketing and promotion. With the current structure of the travel office, and our status of being ranked 48th nationally, we won't succeed. We must step up and make tourism a higher priority for the State of Kansas. Dave Kerr, President of the Hutchinson/Reno County Chamber of Commerce is also supportive of this proposed independent agency. He attempted a similar transition for the state travel office in years past without success.

We are asking you to allow us the opportunity to improve the economy of Kansas and its communities by doing what we do best. Through this **performance-based** plan, the Kansas Tourism Initiative allows a structure *and* the resources to capture more visitor spending in Kansas.

Thank you.

117 North Walnut / P.O. Box 519
Hutchinson, Kansas 67504-0519
620 662-3391 / Fax 620 662-2168
800-691-4282
e-mail: info@hutchchamber.com
website: vlsith

Economic Development & Tourism

Date: 3-24-08

Attachment # 12



“A Town That Produced a President”

**Testimony to the
HOUSE COMMITTEE on ECONOMIC DEVELOPMENT AND TOURISM**

March 31, 2008

**Glenda Purkis, Director
Abilene Convention & Visitors Bureau**

Ladies and gentlemen, thank you for opportunity to present Abilene’s support of Sub SB501. My name is Glenda Purkis, and I have been involved in the travel industry for 38 years. In 1970, I began my career in Norton, Kansas, and organized the very first Convention & Visitors Bureau in northwest Kansas. From Norton, through Russell and Atchison, to Abilene, I have seen tourism transform the economy of communities.

Whether it’s the annual Carp Derby at Sebelius Reservoir, the birthplace of U. S. Senator Bob Dole, a nationally acclaimed retailer (Nell Hills), or one of only twelve US Presidential Libraries, a community must have a good plan and most important, the financial resources to convince travelers to visit us. Communities of all sizes have stepped up to the plate to do their part in the travel industry of Kansas. It is time tourism is recognized as a major industry of this great state and the Kansas Legislature take measures to help grow this industry.

In 2006, Abilene participated with Kansas Travel and Tourism in the Randall Marketing Study. We learned:

State receives \$1.1 million in sales tax generated from the travel industry in Abilene
Dickinson County receives \$315,397 in sales tax
City of Abilene receives \$105,132 in sales tax

Economic Development & Tourism

Date: 3-24-08

Attachment # 13-1

The City, County, and State combined receives \$1.7 million is sales tax generated from the travel industry in Abilene. The tax generated also provides a tax relief per household of \$209.

Abilene's return on investment is \$13:\$1, which Randall Marketing said was more than other communities evaluated.

The Abilene CVB presented this information to city and county commissioners during budget time. We requested, and received a \$40,000 increase in tourism program funding from both entities. Tourism is a major industry in Abilene.

Over the past 38 years of my involvement in the travel industry, Kansas has not shown a major improvement in rankings with other states. We remain too close to the bottom. And yet, the travel industry is a \$5.6 billion industry in this state. Just think what our return on investment would be if the Kansas Legislature increased the current \$4 million tourism budget.

Abilene supports the KTI initiative as presented. We encourage you to pass Senate Bill 501.



Testimony on Substitute for SB 501
To the House Economic Development and Tourism Committee
By David Kerr, Secretary of Commerce
March 24, 2008

Chairperson Gordon and members of the committee,

Thank you for the opportunity to appear before this committee today to address the extremely important issue of Kansas travel and tourism. As the head of the state's primary economic development agency, no one knows better than I the impact that travel and tourism has on the state's economy. With that in mind, I applaud the intent of this bill to demonstrate the importance of the industry by identifying and committing much needed incremental funding for this sector of the economy. However, I would like to suggest that this committee consider another more cost effective and efficient model for maximizing the value of the incremental funding.

It is abundantly clear there is no lack of commitment or support for travel and tourism by the Governor, her administration or the Department of Commerce. The bill's proponents acknowledge that the Travel & Tourism Division is relatively effective with the modest funding that has been appropriated. As the bill's proponents have accurately depicted, the sole shortfall has been a commitment for additional and adequate funding. One would surmise that an existing tourism agency would see significant positive results for the state given a three-fold budget increase like the one proposed by this bill.

As many of you are aware, one of my highest priorities since becoming Secretary has been the branding and imaging of Kansas. I believe that this committee has had the opportunity to view the fast paced, dynamic and forward-looking branding campaign that we have rolled out under the direction of Caleb Asher, our Senior Director of Marketing and Communications. Travel and tourism is a key component of that branding priority and initiative. Shortly after my arrival, the organization was restructured to align Travel & Tourism with Marketing & Communications. That realignment was made to consolidate our resources, to seek efficiencies, and to build synergies within the Department, but more importantly, to provide additional resources and support to the tourism industry.

I think it is also important to note the annual budget for the Travel & Tourism Division, consistent with overall EDIF funding for Commerce from the legislature, excluding new programs assigned to the organization, has remained consistent over the past five years. Over that period of time, the annual Travel & Tourism budget has ranged from \$3.87

Economic Development & Tourism
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million to \$4.37 million. The fluctuation is driven for the most part by the production cost of the travel guide that is published in alternating years. The 2008 budget was formalized at \$4.122 million and, barring a reduction in total Department of Commerce funding, the 2009 budget is projected to be equal to or greater than the 2008 budget.

Additionally, both the Marketing & Communications and Travel & Tourism divisions utilize a single ad agency contract which maximizes the efficiencies of the combined organizations. Having the Travel & Tourism Division located within Commerce has reinforced efficiencies and laid the groundwork for a coherent, unified, and consistent marketing message for the entire state. The effect of this alignment is that Commerce can provide additional promotional services for the state with the same amount of funding.

The Substitute for SB 501 would create an independent corporation for tourism. It would be overseen by a board with representatives of the industry. The corporation will capture all of the funds currently budgeted for the division, including the revenues generated by *Kansas!* magazine, the travel centers, and other sources that have an impact well beyond tourism. In addition, the corporation would also receive 50% of all sales taxes generated by some selected business groups above their 2007 level. The majority of the new funds from this mechanism will come from just three sources: sit-down restaurants, fast-food restaurants, and bars. The committee perhaps should consider reducing the rates for these NAICS codes in exchange for supplementing with NAICS codes that seem to be more appropriate but that have been excluded from the bill, including: tour operators, travel agencies, travel reservation services, convention and trade show organizers, RV or boat dealers, liquor stores, sporting goods stores, recreational goods rentals, scheduled or chartered air flights, taxis or limos, charter buses, land or water sightseeing transportation, car or RV rentals, advertising agencies, golf courses, RV campgrounds, convention and visitors bureaus, and other businesses that may be related to tourism.

Based on analysis by the Department of Revenue, the sales tax funding mechanism in the bill will provide an estimated \$1.96 million to the new corporation in the first year. But because the increase in future sales tax revenues is measured against the base year of 2007, the funding mechanism would quickly grow and send \$10.22 million to the corporation by the fifth year and the revenues sent to the corporation would continue that rate of growth for all subsequent years. In the meantime, the revenues diverted away from the State General Fund would grow from \$1.7 million in the first year to nearly \$9 million in the fifth year, and revenues diverted away from the Highway Fund would grow from about \$240,000 in the first year to about \$1.2 million in the fifth year.

One issue that should be carefully reviewed is the section of the bill that relates to the effect this bill has on other provisions of law, and which would prevail. For example, if there are inconsistencies between this bill and STAR Bonds statutes, which provision would prevail? This could cause serious concerns regarding a city's ability to pay debt service obligations on committed STAR bonds. It is strongly recommended that STAR bonds be excluded from this bill's sales tax funding mechanism until the STAR bonds are retired.

Notwithstanding the clarification of these issues, I reiterate my support for the intent of this bill to demonstrate the importance of the industry by identifying and committing much needed incremental funding for this sector of the economy. I would, however, suggest that the committee consider alternatives that achieve the same objectives in a more cost-effective manner and without creating a new and separate tourism corporation.

Since the real issue is the lack of funding *not* the lack of priority by existing agencies, this committee should consider moving forward with the incremental funding but utilizing the efficiencies of the existing Travel and Tourism organization. Such action will insure that existing support resources, including human resources, fiscal planning, building operations, information technology, and marketing & communications are leveraged and not duplicated.

In addition, to ensure new and much needed focus is invested in the initiative, consideration should be given to using the proposed corporation as an advisory board to support the Secretary of Commerce. The model recently recommended by Kansas, Inc. in its 2007 Kansas Economic Development Strategic Plan relative to Rural Development and State Image/Branding appear to be excellent models to replicate and accomplish the objectives of SB 501. This proposed board would create a public/private partnership to create a focused, high-priority tourism industry. The Board, comprised of industry representatives, would assist in the development and execution of a targeted, proactive tourism strategy that positions Kansas for aggressive competition in the tourism industry. To further assure the highest level of support for this critical sector, consideration could be given to authorizing a Deputy Secretary of Travel & Tourism that reports directly to the Secretary of Commerce and has full authority to exercise the role and responsibilities for directing all operations associated with the industry. Such a model also solidifies the fact that tourism is an inseparable part of the overall goal of the state's economic development efforts and initiatives.

Madame Chair, let me close by clearly supporting the intent of this bill in demonstrating the importance of the industry by identifying and committing much needed incremental funding for this sector of the economy, and suggest the committee consider a more cost-effective and efficient alternative for managing the new funding mechanism and travel and tourism initiatives.

Testimony to the House Committee on Economic Development and Tourism

Joan Wagnon

March 24, 2008

Department Concerns with Senate Bill 501

Representative Gordon, Chair, and Members of the Committee:

Section 16 of Senate Bill 501 provides that 50% of the increase from base year 2007 in state sales tax collections received from tourism businesses shall be transferred to the travel and tourism development fund.

The 2007 base year amount of state sales tax receipts from tourism companies is \$196.34 million. According to Kansas Tax Facts (prepared by Legislative Research), for FY 2007, state sales tax collections were 27.8% of the total state tax revenue. The state sales tax is a vital funding source for the State General Fund and the Highway Fund. State sales tax receipts have been essentially flat for the past several years—particularly when inflation is taken into account. For that reason, any significant reduction of that funding source must be considered carefully. A chart showing State General Fund collections from state sales tax for the past 6 fiscal years is attached. For purposes of estimating the fiscal note, we project state sales tax receipts to increase 2% annually. As the proposal does not have provisions to index the base for inflation in future years or even account for rate increases, the amount annually transferred to the travel and tourism development fund will grow rapidly in future years. The following table lists the amount of revenues that will be lost from the state general and highway fund under this proposal.

Fiscal Year	Total	SGF	Hwy
2009	\$1,963,367	\$1,721,873	\$241,494
2010	\$3,966,002	\$3,478,184	\$487,818
2011	\$6,008,689	\$5,269,621	\$739,068
2012	\$8,092,231	\$7,096,886	\$995,344
2013	\$10,217,443	\$8,960,697	\$1,256,745

Under the current structure of Senate Bill 501, both the State General Fund and the Highway Fund will sustain increasingly larger hits each year from these transfers.

The Department strongly recommends that the bill be amended so that revenue transferred to the fund would be 50% of the annual growth in tourism-related sales tax measured from the immediate prior year—not the base year 2007.



Steven R
Brunkan/Revenue/KDOR
03/24/2008 03:06 PM

To Richard Cram/Revenue/KDOR, wagnon
cc
bcc
Subject % change in state sales tax collections by FY

FY	State collections	Tourism
1995	7.5%	
1996	4.5%	
1997	5.7%	
1998	6.2%	
1999	3.1%	
2000	3.7%	
2001	-1.8%	
2002	1.1%	
2003	0.5%	
2004	2.7%	
2005	3.8%	4.7%
2006	5.2%	8.4%
2007	3.8%	5.7%



120 W. Ash – Salina, Kansas – 785-827-9301 – www.visitsalina.org

Testimony in **Support of Sub SB 501**
To the House Committee on Economic Development & Tourism
By Sylvia Rice, Director – Visit Salina
March 24, 2008

Committee Chair Gordon and Esteemed Members of the Committee,

Tourism is economic development in the purest sense. Visitors bring NEW dollars to our economy - dollars that are earned elsewhere - and spend them in our attractions, retail stores, restaurants and hotels. Research indicates tourism is a \$5.6 billion dollar industry in Kansas, employing 12% of our workforce.

The Kansas tourism product is diverse. We have world-class attractions and unique experiences to attract visitors. From wineries to wetlands, and aerospace to art, Kansas has much to be proud of. We have a story to tell. The industry works together closely to strengthen our position as a destination, and to market to our audience. An important partner in that collaboration is the division of Kansas Travel and Tourism. We've enjoyed some success in promoting Kansas as a destination. However, much more could and should be achieved. It is my contention that the current model in which we do business hampers that level of success.

Research shows that tourism provides a strong ROI, in comparison to other economic drivers. The Kansas Travel & Tourism budget continues to rank among the lowest in the country. Dedicating more dollars to tourism would make a difference, but the need for change goes beyond funding. The status quo presents other challenges that impede our ability to compete for visitors and their dollars. In twenty-five years we've seen a dozen state directors. Many have been talented, dedicated professionals who have had a positive impact on the industry; However, I would say those even those successes were in spite of challenges working within the parameters of state government. The lack of continuity created an inability to build real momentum.

"What could be achieved if a better plan was in place for Kansas tourism?" The Kansas Tourism Initiative (KTI) is an industry-driven movement created to address just that question. Research through PricewaterhouseCoopers substantiates that change is needed. Sub SB 501 is ultimately our response to that need for change. In brief summary,

- Sub SB 501 would create a new 'office of tourism' separate from Kansas Department of Commerce.
- We have removed gaming revenue as a funding source.
- We have removed tax credit to Kansas businesses, in exchange for agreement from Kansas Department of Revenue to support NAICS code language in the bill.
- In the first year, the revenue, which would include current funding to the Division of Travel and Tourism, would be approximately \$6-8 million.
- Sub SB 501 passed the Senate with a very strong vote - 33-7.

Some question the degree of oversight in Sub SB 501. I would challenge that the provisions included in the bill that are relative to the makeup of the board of directors, when enhanced with the regular reporting, the sunset provision, and of course legislative post-audit, actually provide for stronger, more direct oversight than the status quo.

To address any concern over potentially reduced dollars for other programs, it must be emphasized that the sale tax growth within the outlined NAICS codes will be *directly* impacted by performance of the industry. As those dollars are created, and a portion re-invested in the industry, all programs will ultimately benefit at a higher degree. How many other programs are designed to be performance based? How often are you asked not just for funding, but rather for a true investment, and the opportunity to turn that investment into big rewards for the entire state?

I strongly encourage you to send Sub SB 501 to the House floor, and vote confidently for tourism!

Economic Development & Tourism

Date: 3-24-08

Attachment # 16



**Testimony in Support of Sub SB 501
to the
House Committee on Economic Development & Tourism**

March 24, 2008

**By Craig Hull
Director
Crawford County Convention and Visitors Bureau**

Committee Chair Gordon and House Economic Development & Tourism Committee, my name is Craig Hull and I am the director of the Crawford County Convention and Visitors Bureau located in Pittsburg. It is the mission of the Crawford County CVB to increase travel and tourism and the economic impact from the travel and tourism industry in Crawford County and Southeast Kansas.

The Crawford County CVB is a proud member of the Travel Industry Association of Kansas (TIAK), Southeast Kansas Tourism Region (SEKTR), Kansas Society of Association Executives (KSAE), Freedom's Frontier National Heritage Area (FFNHA), Frontier Military Scenic Byway (FMSB), American Bus Association (ABA) and I serve on the See-Kan Resource, Conservation and Development Council Agritourism Committee and the Board of Directors of Big Brutus.

One voice has resonated repeatedly through my discussions and meetings with our partners in the travel and tourism industry mentioned above and this voice calls for increased funding, more marketing efforts and unity throughout the travel and tourism industry in Kansas.

In Crawford County, nine of the top 10 tourist attractions are free admission attractions. This includes Scotty's Classic Car Museum in Arma, Veterans Memorial Amphitheater at Pittsburg State University, the Mined Land Wildlife Area in Crawford and Cherokee Counties, the Crawford County Historical Museum in Pittsburg, Bone Creek Reservoir in Arma, the St. Aloysius National Historic Site at Greenbush, the Historical Museum of Crawford County in Girard, the Kansas Vietnam Veterans Memorial in Girard, the Miners Memorial and Immigrant Park in Pittsburg and the Cato Historical Schoolhouse near Arcadia.

Because these attractions do not charge admission, they are reliant on private donations, fundraisers, grants and in many cases, money directly from the pockets of the owners and curators to keep the doors open, pay the bills and maintain the attraction. These operational costs prohibit attractions from placing funds toward marketing efforts to increase visitors and visitor spending in their respective communities.

Your support for the KTI would directly impact each of these attractions. The future plans for Kansas Tourism Inc. include increased grant funding, allowing these attractions to apply for grants to assist in marketing efforts; increased educational opportunities, allowing these attractions to attend travel and tourism marketing seminars and sessions and most importantly, more marketing funding for Kansas Tourism Inc. will allow KTI to increase its marketing message and marketing reach with a unified voice from attractions large and small.

The Crawford County CVB asks of you to please pass this out of your committee for the House of Representatives to vote on this year.

Thank you for this opportunity,

Craig Hull
Director
Crawford County Convention and Visitors Bureau

House Economic Development and Tourism Committee Members D - Geraldine Flaharty - Member (Wichita) D - Mark R. Treaster - Member (Pretty Prairie) R - Gary K. Hayzlett - Member (Lakin) D - Gene Rardin - Member (Overland Park) R - Judy Morrison - Member (Shawnee) R - Terrie W. Huntington - Vice-Chair (Fairway) R - Robert (Rob) Olson - Member (Olathe) R - Ron Worley - Member (Lenexa) D - Valdenia C. Winn - Ranking Minority Member (Kansas City) D - Broderick T. Henderson - Member (Kansas City) R - Owen Donohoe - Member (Shawnee) R - Lana Gordon - Chair (Topeka) D - Annie Tietze - Member (Topeka) R - Don Hill - Member (Emporia) R - Vern Swanson - Member (Clay Center) R - Barbara Craft - Member (Junction City) R - Don V. Myers - Member (Derby)



**Testimony in Support of Sub SB 501
to the
House Committee on Economic Development & Tourism**

March 24, 2008

By Anna Methvin
Southeast Kansas Tourism
Legislative Chair

Committee Chair Gordon and House Economic Development & Tourism Committee, my name is Anna Methvin representing the Southeast Kansas Tourism Region, where I serve as elected Legislative Chair.

Southeast Kansas Tourism as a regional organization has supported KTI not only financially but through education of our members and citizens and is very pleased to be part of such an exciting opportunity for Kansas. We are in hopes that you will truly understand the Kansas Tourism Initiative for what it will bring to our state's economic well-being. In my experience, I have never before witnessed such unity in the Travel & Tourism Industry leading up to what is now the final proposal given to you today and hope that you will please look at this as an opportunity to grow Kansas. Please pass this out of your committee for the House of Representatives to vote on this year.

In 2006, it is estimated that visitors to Kansas injected more than \$7.3 billion dollars in direct and indirect spending into the state's economy and generated \$1.7 billion in federal, state and local taxes. KTI is a broad-based, strategic plan designed to increase available funding for this important industry. We believe this plan will have a positive impact on our state's economy.

Proposed funding would come from existing dollars flowing to the Travel & Tourism Division today (approximately \$4.5 million in total) a percentage of growth in the sales tax codes related to tourism expenditures throughout Kansas. More than 2/3rds of the funding is based on performance from the industry. This is not an attempt to raise taxes; it is an opportunity to generate additional revenues throughout the state by attracting more visitors through increased efficiencies and collaboration among all entities that attract visitors to Kansas.

KTI studies show how simple investment in promoting, building up and measuring impact can increase travelers in - and to - this state. However, we believe that a change in structure is necessary to achieve such results as it will allow a directed focus on Kansas tourism.

Southeast Kansas as a tourism region will most definitely benefit from the additional resources that will be available to our region through the KTI plan. We anticipate that our next-door neighbors from Oklahoma and Missouri will be here visiting the new casino in our area very soon and we hope that through these new resources we will help them realize the many reasons for our passion for the region and the state as a whole. Through Visit Kansas we can harness our history and our knowledge to promote our attractions. You can help us with the efforts to deliver the message clearly and effectively through the creation of an independent organization to promote Kansas tourism. We know we are at a pivotal moment in tourism history and hope that you will also share in the vision we have for the advancement of our industry.

Thank you for this opportunity.
Anna Methvin, SEKTR Legislative Chair

Economic Development & Tourism
Date: 3-24-08
Attachment # 18

Testimony in Support of Sub SB501
to the
House Committee on Economic Development & Tourism
By Kerry Green
Meetings & Group Coordinator
March 24, 2008

Representative Gordon,

I am asking for your support of Sub SB501. I am new to the tourism industry, but in the few short months that I have been involved, I have seen the need firsthand for the Kansas Tourism Corporation that SB501 would create. In the past 25 years the state of Kansas has had 12 tourism directors. With each change in administration we have had a change in direction. This is not good for tourism in the state. As a unified front, with additional funds, we can compete with other communities and bring a consistent marketing message.

The Kansas Tourism Corporation will provide for more legislative oversight than with the current scenario under the Department of Commerce. Sub SB 501 will allow legislators to sit on the Board of Directors, the legislation will be reviewed in 2013; the legislature can request a Legislative Post Audit at any time and in the third year, Kansas, Inc., will be required to review the organization. By increasing our dollars, Kansas will move out of the 48th position and into one where we can compete with other states in the Heartland.

If you look at the progress Kansas City, Kansas has made over the past few years, we can all be proud. We were able to take a community that was in decline and improve the quality of life through tourism. Through the building of tourist attractions and the marketing of those attractions, Kansas City, Kansas is now a place for all visitors. I would like to see this same type of resurgence in all parts of Kansas. We need a unified front to build on this momentum.

Please believe in tourism in the state of Kansas as you support this important bill. With the help of legislatures like you, we can make Kansas a tourist destination and have the funds to properly market our state.

I appreciate your time and the opportunity to present my thoughts.

Sincerely,



Kerry Green, Meetings and Group Coordinator
Kansas City Kansas-Wyandotte County
Convention & Visitors Bureau

Economic Development & Tourism
Date: 3-24-08
Attachment # 19



Kansas Association of RV Parks & Campgrounds
462 US Hwy 83 Phone / Fax: (785) 672-4344
Oakley KS 67748 *CampKansas@ksrvparks.com*

**Testimony in Support of Sub SB 501
to the
House Committee on Economic Development & Tourism
by the
Kansas Association of RV Parks and Campgrounds (KARVC)
March 24, 2008
By Charles Reaser, President**

Committee Chair Representative Gordon and members of the House Committee on Economic Development and Tourism,

I'm writing on behalf of the members of our association, who are all small business owners of RV parks and campgrounds. We cater to the needs of the national and international tourists who travel through Kansas in RVs.

- Our outdoor hospitality industry caters to the needs of 7.92 million RVs (motorhomes, travel trailers, fifth wheels, truck campers, and folding camper trailers).
- The state of Kansas is stereo-typically referred to as the drive-through state. The tourism sector prefers they stop for a night, if not several.
- In 2004 each customer left behind an average of \$324.39 per campsite on each of the holiday weekends (according to a survey by the National Association of RV Parks and Campgrounds).
- Every night they spend in Kansas equates to more money for Kansas campgrounds, restaurants, attractions, stores, service centers, and gas stations.

Given the number of families who camp, and with their typical spending habits, this sector of tourism is a significant factor to many Kansas businesses. However, without our state properly funding and supporting the tourism sector and properly investing in tourism marketing opportunities, we will remain a pass-through state and we will allow our surrounding states to capture RV tourism dollars.

We support SB 501 and believe it will greatly improve tourism and all that touches the tourism sector. It demonstrates accountability, prudent fiscal management, and thorough oversight. It provides an investment in tourism which will show a significant return on investment to the Kansas economy.

I encourage you to make the SB 501 (Kansas Tourism Initiative) a reality.

Economic Development & Tourism
Date: 3-24-08
Attachment # 20



Testimony in Support of Sub SB 501
to the
House Committee on Economic Development & Tourism
by
Anna Methvin
Tourism Coordinator
Chanute Area Chamber of Commerce & Office of Tourism

Committee Chair Gordon and members of House Committee
on Economic Development & Tourism:

My name is Anna Methvin. I am writing on behalf of the
Chanute Area Chamber of Commerce & Office of Tourism.

We support the formation of an independent organization to
manage Kansas tourism initiatives. We believe that an
organization separate from the Kansas Department of
Commerce would be better equipped to respond to the
changing needs of tourism.

In addition, we support the concept of a separate entity that has
tourism as its only focus. With the three-prong approach of
Product Development, Marketing and Promotion and Research
and Education, we believe that such an agency would be well
positioned to help promote all of Kansas, including the tourist
destinations in rural areas of our state.

Thank you for your time.

Economic Development & Tourism
Date: 3-24-08
Attachment # 21



Testimony in Support of Sub SB 501
to the
House Economic Development and Tourism Committee
March 24, 2008
By Kathy Tolbert, Director Rolling Hills Wildlife Adventure

Committee Chair Gordon and the House Economic Development and Tourism Committee:

Throughout the 14 years I have been a part of Rolling Hills Wildlife Adventure, I have come to appreciate not only what Kansas can offer visitors, but also what challenges we face as an industry. From high turnover rates at the Director level of the Division of Travel and Tourism, to a budget that is ranked extremely low by national standards, our ability to encourage visitors to spend time and dollars at attractions, lodging, and restaurants seems quite limited.

Sub SB 501 addresses these issues and more. This bill was written with the understanding of the challenges the industry has faced for years and a blueprint to move Kansas tourism forward. As the director of an attraction that draws 130,000 guests a year through its gates, I fully support this bill that would increase the visibility of Kansas to potential travelers. How can we expect to grow the tourism industry of our state if we are not willing to invest in the industry? If this bill becomes law, it is estimated that the budget the first year would be \$6 to \$8 million. This is approximately twice as much as the current budget. The return on investment of this increased budget would be significant, but that is only a piece of the equation. When Rolling Hills Wildlife Adventure has increased visitors, we are spending more dollars to provide for those guests. More visitors mean more hamburgers sold at our restaurant, more fuel purchased for our trams, more maps needed to give our guests, and on and on. We are just one attraction within the state. Imagine if across the state there was an influx of new dollars and new guests coming into attractions, lodging, restaurants, and convenience stores. The trickle down effect of those new dollars to our state would be powerful.

The budget also includes a research component – where are our visitors coming from? What are they looking for? How can we better serve their needs? Having this information readily available not only helps to market on a state level, but also on an individual entity level. As an attraction, it is always difficult to determine where our marketing dollars are best spent. Having facts and figures to support our efforts can only increase our effectiveness of reaching potential visitors.

Yet Sub SB 501 is not solely about dollars. It allows for the continuity of a director who will have the ability to create long range plans and have the momentum to put those plans in place. Few businesses can prosper when its leadership is changing every few years. The tourism industry needs continuity in its leadership. With the oversight that is set out by the bill, the director will answer to a board of directors that is made up of legislators and members of the tourism industry. With a director that is allowed longevity and a board that consists of individuals interested in ensuring the success of Travel Kansas, the formula is in place to move Kansas tourism into the future.

I believe in Kansas tourism and I believe it is vital to our state. Kansas is diverse with limitless opportunities for travelers. Whether seeking the bustling city or the quiet solitude, or something in between, it is all here. Kansas is rich with opportunities for travelers – what we lack is the ability to inform those potential guests of what is available.

Those involved in Kansas tourism have come together in an unprecedented way in support of Sub SB 501. This speaks loudly that the industry believes it is time for a change. This bill has found strong support in the Senate. It is my hope that this committee will also support Sub SB 501 and will make the recommendation of sending it on to the full House for vote.

Thank you for your time and consideration.

Kathy Tolbert, Director
Rolling Hills Wildlife Adventure

Testimony in Support of Sub SB 501

To the

House Committee on Economic Development & Tourism

By

Gloria J. Moore, Washington County Tourism Director

March 24, 2008

Good Afternoon Representative Gordon and Members of the House Committee

Today I am asking for your support of Sub SB 501, as not only the Washington County Tourism Director, but also as the President of the North Central Kansas Tourism Council (NCKTC). The NCKTC is composed of fourteen counties and two Chambers of Commerce. Those counties include Clay, Cloud, Dickinson, Ellsworth, Jewell, Lincoln, Marshall, Mitchell, Osborne, Ottawa, Republic, Russell, Saline, and Washington, plus the Lindsborg and Hays Chamber of Commerce. The counties are all very rural, most do not have a paid staff or chamber to promote their attractions and other tourism related venues, however the enthusiasm to showcase their tourist attractions and businesses remains high.

Sub SB 501 provides an opportunity for the rural areas to benefit from an expanded long-range plan for improving Kansas tourism. At the present time we cannot compete with our neighboring states. The resources that we have under the present system are managed by the Department of Travel and Tourism as efficiently as possible. They have always worked very hard to promote Kansas in a cost effective manner, supporting local efforts as funds allow, however the proposed changes to the Tourism Division would strengthen our tourism efforts.

Our region is just beginning to see an increase in agri-tourism based business. The past few years has seen the establishment of Farmer's Markets, Pumpkin Patches, Corn Mazes, Alpaca Farms, Buffalo Ranches, and a variety of other agricultural based businesses emerge. The creation of an independent tourism organization would allow more funding to be available for marketing and promotion, product development, research, and education for Kansas tourism related fields.

Tourism in Washington County? The Washington County Commissioners decided in January of 2003 to establish an office of tourism to promote the county. This is a unique position for a small county with a population of 6,000 in a continual decline. Our budget is very small, however with the cooperation of all of the counties within the region we are able to slowly chip-away the misunderstood conception that there is nothing to see or do in rural Kansas.

Economic Development & Tourism

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Not a destination? We have organized groups, motorcoaches, and families visiting on regular basis and the numbers are increasing. More and more visitors are requesting information to prepare for their visit to Kansas. Kansas Specialty Dog Service (KSDS), a service dog training facility in Washington is the #1 tourist stop. The Hollenberg Pony Express Station, a State Historic Site near Hanover, is another of the assets found in Washington County. Washington County is the "Pie Capital" of Kansas where over 600 pies are made by hand each day. Visitors want to be able to get up close and personal to the places they visit.

We feel that an independent organization like Visit Kansas would be the first giant step in making our State competitive, not only with our neighbors, but also with the nation. The return on investment (ROI) to the Kansas economy would be significant through direct and indirect expenditures. We feel that the proposed SUB SB 501 would give all cities and counties, regardless of population, a better opportunity to expand their visitor base whether it is travelers from within or out of Kansas.

Thank you for allowing us to bring our comments before you today and I ask for your support of the Kansas Tourism Initiation, SUB SB 501.

13.2



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**Testimony in Support of Sub SB 501 to the
House Committee on Economic Development & Tourism
by High Plains Camping, Inc.
March 24, 2008
By Mary Arlington, President and Certified Park Operator**

Committee Chair Representative Gordon and members of the House Committee on Economic Development and Tourism,

My overnight camping resort along I-70 and US-83 is a small business in the tourism industry. I cater to the needs of RVers and tenters. Briefly stated:

- My nightly guests call these places home: Alaska, Maine, California, Florida (to list a few examples), Germany, Italy, France, England, Scotland, Australia, New Zealand (to list a few) and all of the provinces in Canada.
- Approximately 10,000 people walk through my office door every year.
- The outdoor hospitality industry caters to the needs of 7.92 million who RV for their vacation lifestyle, so my business has a large audience to attract.
- The state of Kansas is stereo-typically referred to as the drive-through state, which is counter-productive thinking for someone in my capacity.
- The typical camper at my resort leaves behind \$100 - \$200 at the neighboring gas station, perhaps \$20 or \$50 at the neighboring restaurant, and they leave me with their site fee as well as income from store sales, propane supply, and a game of 18-hole miniature golf.

For the ones who stop by my park, rather than drive through Kansas without stopping, I provide my customers with a great Kansas experience.

I support SB 501 and believe it will greatly improve Kansas tourism. Its accountability, prudent fiscal management, and thorough oversight will lead to a significant return on investment to the Kansas economy.

I encourage you to let SB 501 (Kansas Tourism Initiative) become a reality.

Economic Development & Tourism

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Attachment # 24



CONVENTION & VISITORS BUREAU

1301 PINE SUITE B HAYS, KANSAS 67601

785 628 8202 or 1 800 569 4505 www.hayksusa.net FAX 785 628 1471

**Testimony in Support of Sub SB 501
to the
House Committee on Economic Development & Tourism
by
Jana Jordan, Director of the Hays Convention & Visitors Bureau
March 24, 2008**

Committee Chair Rep. Gordon and Committee Members

Having been the Director of the Hays Convention & Visitors Bureau for the past 20 years I have a long personal record of working with the Division of Travel and Tourism. I am sure you are aware of the fact that in the past 25 years there have been 12 different Tourism Directors and, in turn, at least that many changes in the direction of tourism marketing for our state. This inconsistency has been extremely detrimental to not only our image branding, but also product development for our state.

This is a well thought out plan that allows Travel and Tourism to take a proactive approach to professionally promoting our state to a worldwide market. As a performance-based funding plan it allows the industry to continue to generate and even grow the dollars that provide the budget for the organization. And in turn grows the economic impact that the tourism industry can make in the state of Kansas. There are such dramatic possibilities for tourism growth in Kansas given the right investment and I believe this plan provides for the right investment.

In closing, I also believe this plan actually allows more oversight and involvement between the legislature and Travel and Tourism. Having served several years on the Kansas Travel and Tourism Council it was frustrating to have legislators ask how we could increase the marketing budget only to be buried in the bureaucracy and red tape of the Department of Commerce. With legislators sitting on the Board of Directors and a legislative review in 2013, legislators will have a much more hands on effect on the tourism industry.

Please consider SB 501 and pass this bill out of committee and on to the full House of Representatives for deliberation.

Jana Jordan, Director
Hays Convention & Visitors Bureau

Economic Development & Tourism

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Testimony

Unified Government Public Relations
701 N. 7th Street, Room 620
Kansas City, Kansas 66101

Mike Taylor, Public Relations Director
913.573.5565 mtaylor@wycokck.org

Senate Bill 501 Kansas Tourism Initiative

Delivered March 24, 2008
House Economic Development and Tourism Committee

The Unified Government supports Senate Bill 501 and urges the State of Kansas to enact a comprehensive tourism plan and increase funding of tourism promotion and marketing.

Wyandotte County and Kansas City, Kansas offer destination attractions which draw millions of visitors a year to Kansas. People from across Kansas and other parts of the United States are vacationing in Wyandotte County. That's something that just a short time ago would have been unthinkable. More than 10-million people a year visit the Kansas Speedway, The Great Wolf Lodge, Chateau Avalon, The Legends at Village West and soon, the \$750-million Schlitterbahn Vacation Village.

Wyandotte County is of course continuing to support and promote our traditional manufacturing businesses, but tourism represents a new economy in Wyandotte County. Because of great partnerships with the Legislature and innovative economic tools like STAR Bonds, Wyandotte County is doing it's part to make Kansas the hottest tourist destination in the Midwest.

There is a direct economic benefit to having all of those visitors. Village West and The Legends Shopping Center generated more than \$13-million in property taxes in 2007. Before the development, that land produced only about \$200,000 in annual property taxes. The nearly 100 businesses open at Village West employ almost 6,000 people. Those are almost all new jobs which did not exist before and are contributing to a significant reduction in the unemployment rate, from 11.1% in 2003 to 7.4% in 2007.

The tourism industry created by the Kansas Speedway and Village West has generated more than just new tax revenues. The population of Wyandotte County has stabilized, new single family housing permits have increased by nearly 250 percent, retail sales have increased by 56 percent and assessed valuation for the county has exceeded \$7.4-billion. Wyandotte County is now the fifth most active new housing market in the Kansas City metro, issuing more new housing permits than Shawnee, Gardner and Lenexa and only about 20 fewer than Overland Park. That is all because of tourism and its economic spin-offs.

Spending more money on marketing and promoting Kansas as a great place to visit and vacation is an investment which will pay back the State of Kansas and its citizens many times over.

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E X P L O R E
Fort Scott

Testimony in Support of Sub SB 501
to the
House Committee on Economic Development & Tourism
by
Katie K. Casper, Director of Tourism, Fort Scott Area Chamber of Commerce
March 24, 2008

Committee Chair Gordon and House Economic Development & Tourism Committee, thank you for taking time to hear this testimony today as this proposed legislature marks an important turning point in the history of tourism in the state of Kansas.

The Fort Scott Office of Tourism is the marketing entity for the community as well as various attractions within the community of Fort Scott. Being located five miles from the Missouri line and only a few hours from Branson and its attractions, we are constantly competing for visitation as well as the dollars that visitation brings. We believe that the Kansas Tourism Initiative (KTI) and its proposed Visit Kansas will help to provide the support that we need in this competitive region.

Economic impact with respect to tourism in this community is significant. With the current marketing budget in the state's Division of Travel & Tourism, it is near impossible to compete with neighboring states, as the state barely has enough money to spend on its own marketing, let alone lend much help to the individual communities.

The Kansas Tourism Initiative would provide for stable leadership as well as investment sources that have not before been considered, both of which we believe to be positive, needed changes to the structure of the division.

With continued input from legislators as well as freedom to work outside of the existing budget this initiative would prove nothing but positive for the state of Kansas and the communities that rely so much on its help. This being said we at the Fort Scott Office of Tourism ask for your support of this bill as we all share in the vision of marketing Kansas as the great state we who live and work here know it to be.

Thank you for this opportunity,

Katie K. Casper
Director of Tourism

Office of Tourism and Visitor Information Center
231 E. Wall Street Fort Scott, Kansas 66701
1-800-245-FORT FAX (620) 223-357
www.fortscott.com

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Date: 3-24-08
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Testimony to House Economic and Tourism Committee
March 21, 2008
Karen Hibbard, Vice President
Manhattan Convention and Visitors Bureau

Members of the House Economic and Tourism Committee

This is an exciting time for Kansas and Kansas Tourism. The Kansas Tourism Initiative represents the first organized and coordinated approach for the future of tourism in Kansas from the tourism industry in 25 years.

Why this need? We know that Kansas is perceived by many as a drive through state. Do we really believe that we are just a state that one must go through in order to get to the mountains? Do we really **want** to believe we don't have anything to offer to the visitor? Think back to just one short year ago, to April 2007. Kansas was in the spot light. The Flint Hills of Kansas were being exposed to the world, thanks to the National Geographic 22 page spread. Jim Richardson, a native Kansan, captured through photography, the beauty the Flint Hills holds. The interest in the Flint Hills not only is a treasure for Kansas to enjoy, but now the world.

Imagine a Kansas that....

Has a community that has a Discovery Center that is interactive in telling the story of the Flint Hills and the entire region. A Discovery Center that is a destination as well as incredible experience that explains what Kansas is all about.

Imagine a Kansas that....

Has Visitors Centers along I70 and I35 to welcome visitors to the Flint Hills and encourage them to spend time in our communities, small and large for an authentic Kansas experience.

Imagine a Kansas that....

Offers authentic Agri-Tourism experiences. Trail riding, hiking, hunting, fishing, and ranching, glorious sunrises and sunsets, all which beckon for the visitor to experience more.

Manhattan and Kansas both have a great deal to offer visitors – but it is true that telling the story of the authentic experience, wide-open spaces and even cosmopolitan offerings in Kansas, takes a concerted effort here in the heartland. It indeed takes partnerships with

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rural, mid-size and large cities working together to promote a great experience here in Kansas.

Partnerships and investing are a must in order to grow a stronger tourism industry. This is the goal of the Kansas Tourism Initiative. The time is now to develop a consistent message to our visitors and industry. Tourism is indeed economic development in its purest form. This is an exciting time together we move Kansas up on the visitors mind to explore, experience and cherish.

With VISIT KANSAS, I believe we can indeed capture the imagination of the visitor.

Sincerely,

Karen Hibbard, Vice-President
Manhattan Convention and Visitors Bureau

28-2



2150 SW WESTPORT DR., SUITE 101 TOPEKA, KS 66614
 WWW.PETERSONPUBLICATIONS.COM 785-271-5801 FAX 785-271-6404

March 21, 2008

Attn: Honorable Chair Lana Gordon and House Economic Development & Tourism Committee

We are writing in support of the Kansas Tourism Initiative and Senate Bill 501. As a publisher of travel guides for cities across the state of Kansas, we stand firmly behind an initiative that will bring a consistent voice and message to marketing efforts, effectively promote Kansas attractions without the distractions of other responsibilities, and bring more tourism revenue to our state.

The creation of a board of directors within the Kansas Tourism Corporation provides the oversight of an entire team committed to one message, with a goal of promoting our state effectively. Conventional marketing wisdom says that consistency is the key to success. How often has the message shifted over the past quarter of a century, with an ever-changing leader in the travel director position? A changing message leads to a confused public, unable to emotionally attach to a marketing message that, although designed to entice them to our state, doesn't create a desirable - or memorable - brand.

The Kansas Tourism Corporation, in addition to providing consistency of message, would provide consistency of effort. The Department of Commerce is a large body with significant responsibility. Travel and tourism, although recently gaining more attention, have not received the concentrated efforts that could be achieved with the creation of an independent entity. The Department is, appropriately, focused on driving business to the state of Kansas. The Kansas Tourism Corporation would be able to focus its efforts on driving families to our state.

Funding is another key consideration when measuring the possibilities of success in encouraging statewide tourism. As levels of disposable income fall due to a tightening economy, families are looking for sites for vacations and weekend getaways that do not require the outlay of significant travel costs. According to figures received from all 50 states' tourism budgets, the proposed 2009 spending in Kansas ranks as one of the lowest



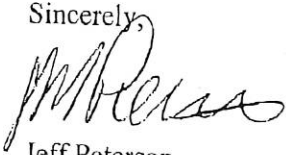
Economic Development & Tourism
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across the country. Without sufficient funding and a consistent message, as could be provided by passage of SB 501 and the creation of the Kansas Tourism Corporation, bordering states could be the beneficiaries of tourism dollars spent by those looking for opportunities closer to home.

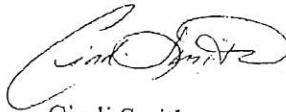
SB 501 and the creation of the Kansas Tourism Corporation are the recommendations brought forth after two years of hard work by a partnership of professionals from across the state who are dedicated to the creation of a thriving Kansas tourism market. We ask for your support.

Thank you for your consideration.

Sincerely,



Jeff Peterson
President
Peterson Publications, Inc.



Cindi Smith
Vice President of Sales
Peterson Publications, Inc.

March 24, 2008

Statement to Committee on House Economic Development & Tourism

Respectfully provided by Karen Crane, Director
Merriam Visitors Bureau

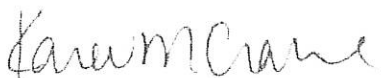
Greetings from Merriam, Kansas! Thank you for this opportunity to share Merriam's support of the Kansas Tourism Initiative and the formation of a new statewide tourism organization, Visit Kansas.

It is with great pleasure that I write in appreciation of your consideration given in support of the Substitute for SB 501. On behalf of the Merriam Visitors Bureau and our goal to enhance the Kansas tourism product, we encourage your dedicated commitment and tireless support to see this bill through to passage, a bill that can greatly change and benefit the future of Kansas tourism.

As a destination marketing organization, our number one goal is to increase and continue visitation to our community, which directly benefits our entire state. We are continually plagued by funding reductions and competitive positioning. **In fact, our state currently ranks in the bottom five states with regard to dollars committed to this industry.** On the flip side, tourism ranks in the top five states in private sector employment. It is time to balance the scale as our neighbor directly to the east has recently pledged to increase their tourism budget by four million dollars, an increase equal to the *entire* Kansas tourism budget.

This initiative speaks to the bold vision, strength and efficiency a new Visit Kansas can bring. Not only will Visit Kansas increase and enhance tourism marketing, product development and research, but it will directly provide significant return on investment **as one dollar poured into Kansas tourism is positioned to yield up to nine dollars in economic impact.** We believe that Visit Kansas is the future of tourism for this state and it is our hope that you lend your support to this necessary and worthwhile initiative.

Sincerely,



Karen M. Crane, KDS, CTA
Director
Merriam Visitors Bureau



Northwest Kansas Travel Council, Inc.
317 N. Pomeroy
P.O. Box 248
Hill City, KS 67642
www.northwestkansas.org



Testimony in Support of Sub SB 510
To the
House Committee on Economic Development & Tourism
March 24, 2008
By
Donna Price, Immediate Past President, NWKTC

Committee Chair Rep. Gordon, and members of the House Committee on Economic Development & Tourism:

My name is Donna Price, and I am Director of the Sherman County Convention & Visitor's Bureau located in Goodland, Kansas. I am also immediate Past President of the Northwest Kansas Travel Council (NWKTC), an organization of 18 counties in Northwest Kansas.

With a membership of over 50, the Travel Council has representatives from Convention & Visitors Bureaus, Chambers of Commerce, Economic Development, highway organizations, attractions, and private business.

Tourism and the support of tourism are vital to our region and the State of Kansas. As a group we have worked hard to promote our region and the State of Kansas. We currently attend consumer trade shows in Kansas City, Mo., Denver, Colo., Wichita, and Long Beach, California. We also produce an Ultimate Guide that represents the 18 counties and take that publication as well as state produced literature to dispense to individuals at these show. The response is great; we as a State and region need funding to do more. The audience is there. We don't have the resources to promote, enhance and compete with other states.

It is very important to understand that extensive time and research have gone into Sub SB 501. The bill has addressed many issues and solutions not only for Northwest Kansas, but the State of Kansas as a whole.

The bill will create a new "Office of Tourism" which will be separate from the Kansas Dept. of Commerce.

We as members of the Northwest Kansas Travel Council support Sub SB 501.

It is important for the House Economic Development & Tourism Committee to understand that tourism marketing is different then business marketing; the travel and tourism division, which was created in 1982, continues to be reshuffled and buried in the bureaucracy of the Dept. of Commerce.

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The Travel & Tourism Division was originally set up to report directly to the Sec. of Commerce, that no longer is the case under the current administration. Because of constant change there is no consistency. We have had 12 tourism directors in 25 years. Every time there is a change in administration travel & tourism is impacted, and not in a positive manner.

I speak for all of Northwest Kansas and the Northwest Kansas Travel Council when I ask for your support of Sub SB 501. I ask that you support this bill and move it out of committee and onto the full House of Representatives for consideration.

Thank you for your time and consideration.



Northwest Kansas Travel Council, Inc.
317 N. Pomeroy
P.O. Box 248
Hill City, KS 67642
www.northwestkansas.org

Testimony in Support of Sub SB 501

to the

**House Committee on Economic Development & Tourism
March 24, 2008**

Presented By
Roger Hrabe, President, Northwest Kansas Travel Council

Committee Chairs Gordon, Huntington, and fellow Committee Members:

My name is Roger Hrabe, and I am Director of Rooks County Economic Development located in Stockton, Kansas. I am also President of the Northwest Kansas Travel Council (NWKTC), an organization of 18 counties in Northwest Kansas stretching from U.S. Highway 281 on the east to the Colorado border on the west, and from Interstate 70 on the south, to the Nebraska border on the north.

With a membership of over 50, the Travel Council has representatives from CVB's, Chambers of Commerce, Economic Development, highway organizations, attractions, and private business. Even though the majority of our membership is from NW Kansas, we also have members from as far away as Salina, Wichita, and Ulysses.

While our mission statement reads, "Committed to the Promotion and Development of Travel in Northwest Kansas," our vision for promoting tourism goes well beyond just the northwest part of the state. It is our belief that the state of Kansas has just scratched the surface on what it can accomplish by increasing promotion of the many things that Kansas has to offer. Our goal is the same as that of Visit Kansas and the Kansas Tourism Initiative, and that is to "Take Tourism to a Higher Level."

Too long in Kansas we have taken a backseat to those in our state and our communities who cannot make the connection between "tourism" and "Kansas." This, despite the fact that year 2006 estimates show that visitors to Kansas injected \$7.3 billion dollars in direct and indirect spending into the state's economy and generated \$1.7 billion in federal, state, and local taxes.

And all of this income, despite having one of the smallest tourism promotion budgets in the United States. The state of Kansas deserves better, and the Kansas Tourism Initiative is a step in the right direction.

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I know that to some the KTI is just going to appear as another effort by the tourism industry to get more money allocated to their cause. But it is very important that you understand that the KTI is not a half-baked plan to try to bilk more money out of the state coffers.

- **It is Broad-based.** The KTI has come together as the result of the efforts of people from all over the state of Kansas and from all sectors of the economy and government.
- **It is Long-term.** The KTI is not a short-term solution and is not simply a slogan or new ad campaign. It is a long-term visionary plan that will take the state's tourism to another level.
- **It is Performance-based.** More than 2/3rds of the funding is based on performance. The budget will grow as the tourism industry continues to earn additional revenue.

To put it quite simply, We did it right! The KTI is not "The Land of Ah's," "Simply Wonderful," "Ah, Kansas," or even "As Big as You Think." It is a strategic plan for the future—the future of tourism in Kansas.

Visit Kansas would provide consistency to our message, marketing, and product development. We would not be subject to the whims of changing directors or administrations.

As for the Northwest Kansas Travel Council, we have always taken the "pull em' up by the boot straps" kind of attitude and have not waited on a common vision for Kansas tourism to be developed. We know what we have to offer, and we set out each year to not only promote our assets, but also to build on them.

Each year the Travel Council works sport and travel shows in Kansas City, Denver, and Wichita. We are one of the few in Kansas who make that yearly effort. And while we have every intention of continuing our efforts, we need the help of the state, and we need the help of a unified Kansas voice. The KTI is that voice and Visit Kansas would be the organization behind that voice.

The KTI and Visit Kansas would greatly enhance our efforts to promote not only NW Kansas, but the whole state. We as fellow Kansans all know that we have a lot to offer, but it is time we offer the country, and indeed the world, a common and consistent voice. It will take a concerted effort, but the KTI is the first step in that effort.

I speak for all of Northwest Kansas and the Travel Council when I ask for your support of the Kansas Tourism Initiative and Substitute SB 501.

Thank you for your time and consideration of this proposal.

Roger Hrabe, Director
Rooks County Economic Development

32-2



**COFFEYVILLE AREA
CHAMBER OF COMMERCE**

807 Walnut • P.O. Box 457 • Coffeyville, KS 67337
Phone (620) 251-2550 • Fax (620) 251-5448
www.coffeyville.com • chamber@coffeyville.com

Testimony in Support of Sub SB 501
to the
House Committee on Economic Development & Tourism
by
Kirsten Stotts, Director
Coffeyville Convention and Visitor Bureau
March 24, 2008

Committee Chair Gordon and House Economic Development & Tourism Committee:

My name is Kirsten Stotts and I am the director of the Convention and Visitors Bureau for the Coffeyville Chamber of Commerce. Coffeyville has had a devastating year in terms of tourism. The rains in late June, early July sent water from the Verdigris River pouring into the city. In the end, many people had lost their homes, their businesses, and their jobs. Visitor counts at our largest tourist attractions, the Dalton Defenders Museum and the Brown Mansion have been slashed in half since the flood.

Furthermore, Coffeyville lost six out of seven of its hotels/motels. Although two have reopened, it will be quite some time before our transient guest tax is where it needs to be for us to function as a viable CVB. Now more than ever I see the need for some action.

I fully support KTI and the structure they have laid out to bring Kansas to the next step in the tourism industry. With the loss of most of our transient guest tax income, I as a CVB have been unable to help in terms of advertising and promotion. The loss hurts not only the attractions, but also the gas stations, the grocery stores, and the retail stores. The implementation of VISIT KANSAS will not only allow us to market Kansas effectively as a destination, but for some of us, it is a necessity. I urge the committee leadership to hold hearings on the bill and to send the bill to the full House of Representatives.

Thank you for your time.

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LEAVENWORTH

KANSAS

The Great Escape

TESTIMONY OF SUPPORT OF SUB SB 501
to the
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & TOURISM
by
LEAVENWORTH CONVENTION AND VISITORS BUREAU &
LEAVENWORTH-LANSING AREA CHAMBER OF COMMERCE
March 19, 2008

Chair Gordon, and Members of the Committee:

Thank you for the opportunity to submit this statement of support for the establishment of the Kansas Tourism Corporation (KTC). It is our considered opinion that the establishment of this tourism corporation would considerably raise the efforts to attract visitors to Kansas at a significantly higher level, with a commensurate increase in the success rate of those efforts.

We are all familiar with the benefits of the tourism industry. It is a clean industry that creates jobs and produces revenue distributed to a broad spectrum of businesses. The return on investment for an effective and successful tourism marketing program is dramatically positive.

The State of Kansas has not yet even begun to effectively penetrate the potential tourism market available to it. This, despite the hard work of many and the expenditure of hard earned dollars over a variety of media. There are several reasons for this failure.

First, the state organization that is responsible for the development of tourism in Kansas has always been a division of the Department of Commerce, often directed by an appointed economic development specialist of one bent or another, most with no meaningful experience in the area of tourism marketing. Case-in-point, there have been 12 tourism directors in the last 25 years.

Second, the budget allocated to tourism is the one of the smallest in the nation—44th, to be exact. Yet for its relatively small budget of 4.45 million dollars, it has provided an excellent fifty-five million dollars return on investment (ROI). With even an additional 5 million more dollars in the tourism budget, that ROI could potentially be \$260 million.

The KTC will be directed by professional tourism staff that know and fully understand the dynamics of the tourism industry and are able to focus available resources effectively. The KTC approach to statewide coordination and integrated planning will promote additional private sector partnerships and more thoroughly involve local, private and public sector organizations and attractions in the tourism marketing plans and efforts.

Leavenworth Convention & Visitors Bureau

518 Shawnee, P.O. Box 44, Leavenworth, KS 66048 • (913) 682-4113 • 800-844-4114 • FAX (913) 682-8170

E-mail: connie.cvb@sbcglobal.net • Internet: www.lvarea.com/cvb

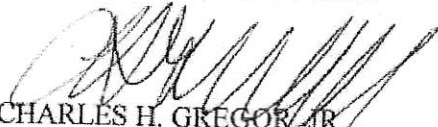
Economic Development & Tourism

Date: 3-24-08

Attachment # 34-1

KTC will create an organization that will integrate and coordinate the various Kansas tourism and marketing entities, creating cooperation and collaboration between those entities and tying together the various geographic areas of the state into a combined effort, providing a strong and unified tourism marketing that will meet all needs across our great state.

We feel strongly that it is time to step up to a professionally directed tourism marketing effort for the State of Kansas. We are confident such a step will reap great benefits for our great state. We urge your support for the establishment of the Kansas Tourism Corporation. Thank you for your consideration on this issue.



CHARLES H. GREGOR, JR.
Executive Vice President
Chamber of Commerce



CONNIE HACHENBERG
Director, Conventions & Visitors Bureau



CONVENTION & VISITORS BUREAU

TESTIMONY IN SUPPORT OF SB 501
TO THE HOUSE ECONOMIC DEVELOPMENT & TOURISM COMMITTEE
BY SUSAN HENDERSON
LAWRENCE CONVENTION & VISITORS BUREAU, MARKETING DIRECTOR
MARCH 24, 2008

COMMITTEE CHAIR GORDON AND MEMBERS OF THE HOUSE ECONOMIC DEVELOPMENT & TOURISM COMMITTEE, I AM PLEASED TO SUPPORT SUB SB 501, THE KANSAS TOURISM INITIATIVE (KTI). THANK YOU FOR YOUR CONSIDERATION OF THIS STATEMENT, SUBMITTED ON BEHALF OF THE LAWRENCE CONVENTION & VISITORS BUREAU.

SUB SB 501 HAS BEEN REVISED TO FOCUS ON NAICS CODE FUNDING - NO LONGER INCLUDING TAX CREDITS OR GAMING REVENUES AS FUNDING STREAMS. THE OTHER KEY COMPONENT OF THE BILL IS THE CREATION OF A PUBLIC/PRIVATE ENTITY, SEPARATE FROM THE KANSAS DEPARTMENT OF COMMERCE, TO OVERSEE THE GROWTH OF THIS INDUSTRY. THIS IS AN IMPORTANT PIECE OF THE KTI AND ONE THAT IS EXCITING FOR THE MANY CVB PARTNERS ACROSS THE STATE THAT LOOK FORWARD TO WORKING WITH TRAVEL & TOURISM IN A NEW ORGANIZATIONAL STRUCTURE.

THE LAWRENCE CONVENTION & VISITORS BUREAU HAS RECENTLY TRANSITIONED INTO AN INDEPENDENT OFFICE WITH OVERSIGHT BY A NEWLY-CREATED CORPORATION, AFTER OPERATING AS A DIVISION OF THE LAWRENCE CHAMBER OF COMMERCE FOR 25 YEARS. THE CREATION OF A NEW PUBLIC/PRIVATE ENTITY FOR KANSAS TRAVEL & TOURISM IS EXPECTED TO HAVE SIMILAR RESULTS AND IS AN EXCITING PROSPECT FOR US AS WE'VE SEEN FIRSTHAND HOW WELL THIS STRUCTURE CAN WORK.

THE LAWRENCE CVB IS NOW OVERSEEN BY THE NEWLY-CREATED DESTINATION MANAGEMENT, INC. IT HAS A BOARD OF DIRECTORS WITH REPRESENTATIVES FROM THE CITY OF LAWRENCE, DOUGLAS COUNTY, THE CVB ADVISORY BOARD AND THE LAWRENCE CHAMBER OF COMMERCE. THIS NEW STRUCTURE HAS ALLOWED THE LAWRENCE CVB TO CONCENTRATE MORE FULLY ON THE WORK OF BRINGING VISITORS INTO OUR COMMUNITY AND HAS BOLSTERED THE CITY'S ABILITY TO OVERSEE THE TRANSIENT GUEST TAX COLLECTED AND HOW IT'S ALLOCATED. THE NEW ORGANIZATIONAL STRUCTURE HAS INCREASED THE TRANSPARENCY OF WORK AND IS LEADING TO NEW COLLABORATIONS BETWEEN THE EFFECTED ENTITIES.

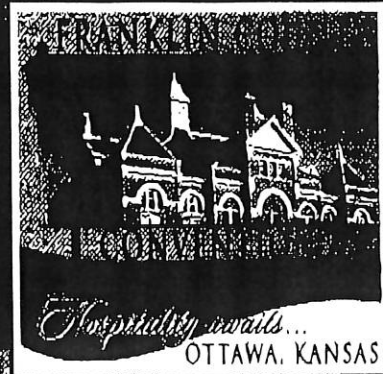
THE LAWRENCE CVB ENJOYS A POSITIVE RELATIONSHIP WITH KANSAS TRAVEL & TOURISM AND IS GRATEFUL FOR THE WORK THEY DO TO BRING VISITORS TO OUR STATE. WE BELIEVE THAT WITH THE PASSAGE OF SUB SB 501 THIS PARTNERSHIP CAN BE ENHANCED AND THE WORK OF OUR TOURISM OFFICE CAN BECOME COMPETITIVE WITH OUR NEIGHBORING STATES AND CAN GROW THE TOURISM INDUSTRY TO ITS FULL POTENTIAL.

TOURISM IS A TYPE OF ECONOMIC DEVELOPMENT, BUT MARKETING KANSAS TO A VISITOR REQUIRES A VERY DIFFERENT APPROACH THAN DOES MARKETING IT TO POTENTIAL BUSINESSES. THE WORK OF THE TRAVEL & TOURISM OFFICE CAN BE BEST

Economic Development & Tourism
Date: 3-24-08
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EXECUTED IN A NEW STRUCTURE THAT ALLOWS FOR CONSISTENT MESSAGE,
CONSISTENT LEADERSHIP, CONSISTENT OVERSIGHT AND CONSISTENT FUNDING. SUB SB
501 PROVIDES ALL OF THAT FOR OUR INDUSTRY WHILE ALSO ENSURING INCREASED
LEGISLATIVE OVERSIGHT.

THANK YOU FOR YOUR INTEREST AND SUPPORT.



March 20, 2008

House Economic Development and Tourism
State Capitol
Topeka, Kansas 88806

Dear Committee Members:

Reference: *Substitute Senate Bill 501*

On behalf of the Franklin County Convention and Visitors Bureau I am writing to ask for your support of Substitute SB501. Wednesday January 31, 2008 marked the first step in the legislative process for moving the KTI Initiative forward. The proposed model will be able to take Kansas Tourism to the next level.

The purpose of this bill is to help improve the economy of Kansas and its communities through tourism by capitalizing on visitor spending. The additional funding provided by SB 501 will prove a winning proposition for Kansas. Kansas currently ranks 44th in the nation in overall travel & tourism budget comparisons, and 48th in actual dollars spent to market and promote tourism for our state. Kansas will likely drop even lower given the budget recommendations for FY 2009, this is unacceptable given the fact that Missouri, Nebraska, Iowa and Oklahoma have all seen significant increases in their state tourism operations over the last few years.

I think this is an important bill for Kansans and it will benefit our communities through local and regional grant opportunities as well as product development for the State at large. Also the research and education component along with a better funding for the marketing and promotion of tourism will help get the word out there that Kansas is a truly wonderful place to live, work, play and visit.

Kansas has a great deal to offer visitors with our wide-open spaces, authentic experiences, agri-tourism and culture its time to start telling our story and competing with our neighboring states.

Thank you for your support.

Sincerely,

Kristi K. Lee
Director

PO BOX 203 • 2011 EAST LOGAN • OTTAWA, KANSAS 66067

(785) 242-1411 • (785) 242-2238 fax • v

Hospitality awaits...

Economic Development & Tourism

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400 W. Wyatt Earp • P.O. Box 1474
Dodge City, KS 67801

toll free 1-800-OLD-WEST
(620) 225-8186 • fax (620) 225-8268 • TDD (620) 225-8115
www.visitdodgecity.org

**Testimony in Support of Sub SB 501
to the
Committee on Economic Development & Tourism**

Jan Stevens
Southwest Regional Rep for TIAK
Director of Dodge City CVB
400 West Wyatt Earp
Dodge City Kansas 67801
620-225-8186
1-800-OLD- WEST
www.visitdodgecity.org

March 21, 2008

Committee on Economic Development & Tourism:

On behalf of Southwest Kansas and the Dodge City Convention & Visitors Bureau, I am writing to express support for sub SB 501.

Kansas has a wonderful chance to realize a substantial boon to economic development by capitalizing on tourism opportunities readily available to us. Please take a serious look at the bill being presented, and consider the proposals of reorganizing the State's tourism division.

In the past years tourism has been buried in another department, with no real funding stream, other than the budget designated from the department of commerce, with their small budget, the tourism department did what it could, asking for city and CVB partnerships, and coop ads. Some communities could participate, some could not. Dodge City and Southwest Kansas depend on the State's Tourism to aid us in the marketing in places that we just simply can not afford. We look to the State to help us in our economic well being for our small communities, to keep them viable, we look to the state to help us tell our story to others, and we look to the State to help us tell our history, to help Kansan tell Kansas History.

GET THE HECK ^{into} ~~OUT~~ OF DODGE!

Economic Development & Tourism

Date: 3-24-08

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There are other benefits too for Kansas. Potential for growth. With the increase budget and organizational changes, Kansas can become one of the most visited states in the union. We can promote our state and as well as aid in the economic wellness of all cities, bringing 'new' money into the circulation of spending, it not only aids the tourism attractions, hotels and motels, and it helps with the economic viability of restaurants, shopping centers, service and gas stations, and many others. Tourism keeps Kansas money in Kansas, it helps to build private industries of printing and marketing organizations, to name a few, it highlights our quality of life in the small city as well as Big City life. With your support we can help create economic development and 'sell' Kansas to the visitors traveling through our great state, as well as 'sell' Kansas to Kansans.

With Kansas sitting in the bottom end of budgets for tourism, we are simply outdone in marketing by other States with more money. We have had 12 different tourism directors in 25 years, imagine, that is more tourism directors, than governors! Sub SB 501 can bring some continuity to the tourism industry in the State of Kansas, it can help designate a revenue stream that is workable, it will have legislative direction, and it takes a proactive approach, not a reactive.

We are extremely excited about all the opportunities within reach for the State of Kansas, Dodge City, and southwest Kansas and with the help and support of the Kansas House and Senate we can make great things happen.

Sincerely,

Jan Stevens
Director

37-2



**Testimony in Support Of Sub SB 501
To the
House Committee on Economic Development and Tourism
By
Suzan Barnes, CTC, Proprietor, Grand Central Hotel, LLC
March 24, 2008**

Committee Chair Gordon and members of the House Committee on Economic Development and Tourism, my name is Suzan Barnes. I am the owner of The Grand Central Hotel in Cottonwood Falls in Chase County – the heart of the Flint Hills of our great state. I have been in the travel and hospitality business for 39 years, first as a travel agent concentrating on “outbound” travel and now as a hotel owner relying on “inbound” travel. In 1995, when I opened the hotel, I knew that tourism would flourish in the Flint Hills – which our beautiful tallgrass prairie would become a destination for travelers from all over the world. We are now realizing this and have the ability to tap into the largest industry in the United States – travel and tourism. But not just any tourism. It must relate to the unique features of the land, the history and the people of the area. This tourism is called eco-tourism, agri-tourism, experiential tourism and nature tourism. It’s the fastest growing segment of the travel industry, fueled by people who have had their fill of artificial attractions and are seeking to experience something real. For many, Kansas is the answer. We are directly or indirectly involved in people fulfilling dreams, whether it’s a dream of riding a horse across the Flint Hills or of getting off the beaten path and watching our glorious sunsets. Through tourism, we fulfill these dreams. Some of these people are tourists, and some are adventurous travelers. Regardless, they seek the uniqueness of Kansas.

As Past Board Chair of Symphony in the Flint Hills, we have successfully brought symphonic music to the Flint Hills for all Kansans to enjoy. This is one way that we are beginning to make a difference in the economies of small rural communities in Kansas. However, it’s time to recognize the ability of this state to become a world-class destination. It is critical that we recognize the importance of our state’s scenic beauty to the economic well-being of our communities through tourism opportunities.

Also critical to this endeavor is the fact that Sub SB 501 passed the Senate 33-7. We are very encouraged by the strong support coming from our Kansas Senate. This bill would create a new “office of tourism” separate from The Kansas Department of Commerce – an office that will have more oversight than in the past 25 years. Legislators will sit on the Board of Directors which will oversee the Chief Executive Officer. As you can see, we tourism experts intend to make a difference for Kansas through tourism. We can assure you that, with your help, we will succeed.

Please support the Kansas Tourism Initiative. Please help us move Kansas forward – the right way.

Respectfully submitted,
Suzan Barnes, CTC

A handwritten signature in cursive script, appearing to read "Suzan Barnes".

P.O. Box 506 • 215 Broadway • Cottonwood Falls, Kansas 66845 • 620-273-6763 • FAX 620-273-8381
suzan.barnes@sbcglobal.net • www.grandcentralhotel.co

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COSMOSPHERE

KANSAS COSMOSPHERE
AND SPACE CENTER

**Testimony in Support of Sub SB501 to the
ECONOMIC DEVELOPMENT AND TOURISM COMMITTEE
By Christopher D. Orwoll, President and CEO, Kansas Cosmosphere and Space Center
March 24, 2008**

The Kansas Cosmosphere and Space Center strongly supports the Kansas Tourism Initiative (KTI) and urges the State of Kansas to enact a comprehensive tourism plan and significantly increase funding of tourism promotion and marketing.

The Cosmosphere has been a destination attraction in Kansas for over 30 years and draws tourists from all over Kansas, the Plains region, the United States, and the world. The Cosmosphere has the largest collection of U.S. space artifacts outside the National Air and Space Museum, the largest collection of Russian space artifacts outside Moscow, and does all spacecraft restoration for the Smithsonian. We have reproduced space hardware for many museums and private collectors and those skills have allowed us to work closely with the Hollywood film industry on such projects as *Apollo 13*, *Magnificent Desolation*, *The Astronaut Farmer*, and the HBO mini-series *From the Earth to the Moon*. Ron Howard admitted he would have been unable to make the movie *Apollo 13* without the hardware and expertise provided by the Cosmosphere. Tens of thousands of schoolchildren are educated each year at the Cosmosphere and our summer camps provide entertainment and education for children and adults from eight to eighty-eight.

Astronauts such as Gene Cernan, Wally Schirra, Charlie Duke, Alan Bean, Edgar Mitchell, and Kansas's own Steve Hawley... as well as the head of the National Air and Space Museum, General Jack Daley, have all stated that the Cosmosphere is the best space museum in the world. That is a ringing endorsement of all the hard work that has gone into making the Cosmosphere one of the 8 Wonders of Kansas and a key player in the space community. Right here in south central Kansas.

But even with all that expertise, all that backing, and a collection that is truly second to none, our biggest problem is spreading the word about our world-class attraction outside the state of Kansas. The present level of funding provided by Kansas is insufficient to be competitive with other states in the Union. I am sure none of you would like Kansas to be ranked 47th in any area when compared to other states. In this case, it is not just a ranking; it is costing us additional revenue. There is no doubt in my mind that a modest investment of funds for the KTI and approval of the more streamlined structure they propose will reap tremendous financial benefit to the state in increased tourism dollars and tax revenue. This model has been used very successfully in other states and it is time for Kansas to do the same.

In conclusion, I would like to quote President John F. Kennedy who used these words to inspire America to reach for the moon. I think they are just as appropriate in reference to this initiative: *"For while we cannot guarantee that we shall one day be first, we can guarantee that any failure to make this effort will make us last."*

1100 N Plum St

Hutchinson KS 67501-1489

tel 820.662.2305

fax 620.662.3693

www

Economic Development & Tourism

Date: 3-24-08

Attachment # 39

KANSAS UNDERGROUND SALT MUSEUM

Testimony In Support of Sub SB 501
to the
HOUSE ECONOMIC DEVELOPMENT & TOURISM COMMITTEE
By Lynnette Hilty, Director of Marketing
Kansas Underground Salt Museum, Hutchinson
March 24, 2008

The Kansas Underground Salt Museum whole heartedly supports the Kansas Tourism Initiative and would like the State of Kansas to pass the comprehensive tourism plan outlined in Sub SB 501.

Hutchinson, Kansas has the rare pleasure of calling two world class museums home along with many state and national events. Both our museum and the Kansas Cosmosphere were recently named as one of the 8 Wonders of Kansas, a project of the Kansas Sampler Foundation in Inman, KS. Kansas is the only state in the Western Hemisphere to designate things that really make their state great. But currently, statistics show that Kansas does not do a good job of promoting those things. With an increased marketing and promotion budget this could change.

For the Kansas Underground Salt Museum we benefited greatly from the acts of the legislature and other departments within the state house with economic tools like STAR Bonds which was a major funding source that allowed for us to open our doors in May 2007. The Greater Hutchinson Convention & Visitors Bureau, Hutchinson/Reno County Chamber of Commerce and many others are doing their part in helping a start-up museum like ours but the efforts provided by the state travel & tourism department with an increased budget would fill a missing piece of the puzzle.

The Kansas Underground Salt Museum has seen almost 50,000 people come through since opening last year. Most visitors are from within a one hour drive of Hutchinson but to date we have seen people from every state in the United States and many foreign countries. The museum is poised to continue to make a great economic impact on the city of Hutchinson and Reno County but help from outside sources that can be pooled with our funding sources is a must to make this happen.

The many attractions of Hutchinson along with the Greater Hutchinson Convention and Visitors Bureau are very excited to work together to make a strong statement and become a major destination location in the state. Recently, the Kansas Underground Salt Museum and Kansas Cosmosphere and Space Center were awarded a \$25,000 grant for a joint marketing partnership. While this partnership is still in the planning stages we will use this as a way to benefit not only our two museums but also to benefit all of the other businesses and attractions in Hutchinson as well.

Because the state does not promote itself effectively people in our own state do not believe we have anything to offer. With a united effort of state and local agencies to get the word out this could change. A consistent and frequent message is what it takes to make a difference and the current funding and leadership model of the state travel and tourism office prevents the state from participating with local agencies to promote the state. Let's change this by passing Sub SB 501 and not only open the citizen's of our own states eyes to all there is to see and do in this great state but also turn people from other states on to Kansas.



100 South Walnut • P.O. Box 664 • Hutchinson, Kansas 67504-0664 • 620 662-1184 • Fax: 620 662-0236
Email: info@undergroundmuseum.org • Website: www.undergroundmuseum.org

OWNED AND OPERATED BY THE RENO COUNTY HISTORICAL SOCIETY

Economic Development & Tourism

Date: 3-24-08
Attachment # 40



Hutchinson's Historic Fox
Theatre
18 East First
Hutchinson, KS 67501

620.663.5861
620.663.5371
thefox@hutchinsonfox.com

**Testimony in Support of Sub SB 501
to the
HOUSE ECONOMIC DEVELOPMENT & TOURISM COMMITTEE**

**By Mary Hemmings
Chairman, Greater Hutchinson Convention and Visitor's Bureau Advisory Board
Executive Director, Hutchinson's Historic Fox Theatre Inc.**

March 24, 2008

**I am writing in support of the *Kansas Tourism Initiative* to help fund and develop the
Kansas tourism industry via the *VISIT KANSAS* plan.**

**The State of Kansas would benefit greatly from this initiative as it brings "tourism" and
"Kansas" together and makes tourism stronger through well-designed strategies. The
community of Hutchinson, which has strong tourism/attraction appeal, would benefit
with an improved and smart initiative such as this.**

I ask for your support of the Kansas Tourism Initiative.

Thank you for your consideration.

14 West First
P.O. Box 460
Hutchinson, Kansas 67504-0460
620 663-8053
Fax: 620 663-8083
jill@ccsAdAgency.com



Catalyst Creative Services, Inc.

Testimony in Support of Sub SB 501
to the
Economic Development & Tourism Committee
By Jill Leslie-Muramatsu, Catalyst Creative Services Vice President, Hutchinson
March 24, 2008

As a full service advertising agency with a 30-year history of assisting many Kansas tourism attractions and related businesses, we stand fully behind the adoption of Senate Bill 501. Kansas is long overdue in providing adequate funding assistance to the tourism industry. In fact, our state's current tourism budget is a paltry \$4.5 million, less than 50 percent of the budget of other heartland states.

The adoption of the KTI bill would be the boost our state needs to mobilize our residents to check out Kansas tourist sites, as well as bring visitors from other states. KTI's comprehensive plan is a great step towards a solution for maximizing the economic benefits the state can reap from properly promoting tourism.

While we are home to a host of fabulous places to visit, too many Kansans -- much less people in other areas -- are not even aware of these opportunities. The challenge each tourism attraction faces, even those with significant marketing budgets, is twofold: the high cost of achieving adequate statewide reach, coupled with the significant investment other states make in Kansas to attract our residents.

If Kansas is serious about economic development and the impact tourism can make, we have to start promoting our attractions more effectively. Otherwise, tourists are going to continue bypassing Kansas for all the better known attractions in the 47 other states with more aggressive marketing.

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Dear Members of the House Economic Development and Tourism Committee,

As you are discussing Sub SB 501, I want you to know I support this initiative. Kansas tourism, I feel, will be better served with an organization that can plan and be run more like a business without the inconsistencies that come from political changes.

Having traveled all over Kansas in the past 15 years, I have seen marvelous, unique attractions that, when recognized by their communities and then made known to travelers, result in stronger communities. Pride in those communities increases; the economics improve; Kansas gets more in sales taxes, and on and on.

Please support Sub SB 501, to provide a better structure to support and develop Kansas tourism.

Thank you,

Susan Howell
Publisher, Kansas Traveler (www.kansastraveler.com)
Co-developer, Kansas on the Net (www.kotn.org)
147 N Dellrose, Wichita, KS 67208
316-688-0905
howell@kansastraveler.com

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To House Economic Development & Tourism Committee

This is a simple operation that the State should realize. Our county shows more Sales tax dollars when our tourists start coming into our area. Soooo when we have more Sales Tax dollars in our counties, of course there will be more for the State. Again folks Tourism is an Industry that Kansas is missing out on, because of the low funding in the Tourism Dept. & a department that has to worry to much about making the State legislature people happy, instead of the front line people in the retail shops, and tourist attraction, that are working very hard with what money they can muster up to foot all the bills themselves. WE NEED HELP OUT HERE IN THE REAL WORLD OF RURAL AMERICA.

Nita Jones

Sedan

Yellow Brick Road Visitor Center

Southeast Kansas Tourism Region Office

Chautauqua Co. Economic Board

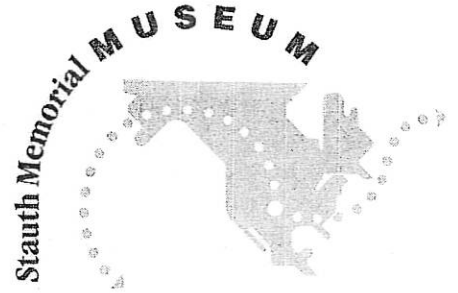
Sedan Area Economic Development Committee, Inc

Economic Development & Tourism

Date: 3-24-08

Attachment # 44

**Testimony in Support of Sub SB 501
to the
House Committee on Economic Development & Tourism
by
Kim Legleiter, Executive Director
Stauth Memorial Museum
Montezuma, Kansas
March 24, 2008**



Committee Chair Representative Gordan, Vice-Chair Representative Huntington and the House Economic Development & Tourism Committee members.

My name is Kim Legleiter and I am the Executive Director of the Stauth Memorial Museum of Montezuma, Kansas. Although our facility is in a small town of less than 1,000 people in rural southwest Kansas, our visitors come from all over the United States to see the exhibits displayed at our museum. We do not charge admission to the museum but only accept donations, as per the wishes of our benefactors. We are very dependent on the much larger resources of the State of Kansas to keep our tourism attraction on a level that competes with other states.

Since the Stauth Memorial Museum opened in 1996, there have been 5 different Directors at the Travel and Tourism office. This does not encourage consistency of message, marketing or product development – every time there is a change of administration, we risk changing directions to satisfy the political winds. No department can be efficient or productive with that amount of change. They have always done the best they can, despite the handicap of a very low budget compared to other states. The longer Kansas moves along with an inadequate budget and other restrictions, the larger the gap grows between economic stability and growth. A larger budget with the current state tourism model would be a huge help, but to make Kansas tourism reach the next level, a new model is essential. We truly need a tourism organization that is flexible enough to respond to the many different needs of Kansas diverse populations, rural and metropolitan, and all they have to offer the visitors of Kansas. I believe that an organization that is separate from the Department of Commerce would better be equipped to respond to all of the changing needs of tourism.

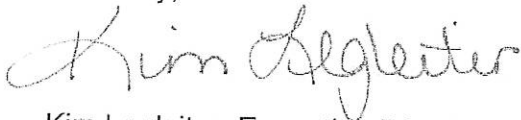
In addition, I support the concept of a separate, independent organization that has tourism as its only focus. The Kansas Tourism Corporation has the three prong approach of Product Development, Marketing and Promotion and Research and Education. This agency would better be positioned to help promote all of Kansas, including the tourism destinations in the rural areas of our state. This plan is the first comprehensive, coordinated approach that looks forward and is pro-active, rather than reactive.

I am encouraged how the Kansas Tourism Initiative has brought together diverse partners to develop this plan. It is not only for large metropolitan areas, but for rural areas, large and small museums and all the great historical places that make Kansas a great destination. Kansas Inc, proposes performance-based funding which is the ultimate measuring tool. We in the tourism industry are asking for the chance to grow our own industry. The tourism industry continues to generate the dollars that provide for the budget increases for the organization. Together the representation of the Kansas Tourism Corporation would finally make it possible for tourism to make a tremendous difference in the Kansas economy. A new tourism model could provide a spark that would bring together all of the elements of the many Kansas destinations, large and small, rural and city, together in elevating the Kansas economy.

I ask you to support Sub SB 501 by voting the bill out of committee and on to the full House of Representatives for consideration.

Thank you for your time.

Sincerely,

A handwritten signature in cursive script that reads "Kim Legleiter".

Kim Legleiter, Executive Director
Stauth Memorial Museum

Boot Hill Museum
Front Street
Dodge City, KS 67801
620-227-8188
frontst@pld.com
www.boothill.org

On behalf of Boot Hill Museum, I am asking for your thoughtful consideration of Sub SB 501, a comprehensive, coordinated approach to Kansas Tourism.

Boot Hill Museum has long time been the tourism centerpiece for western Kansas. It is critical to our success and to the success of tourism in our region for there to be strong support and continuity from the State's Tourism division. There are two key components required to accomplish this mission.

First, it is our opinion the tourism industry will be best served by the establishment of a separate tourism organization in Kansas. The current Travel and Tourism staff are all well qualified, hard working individuals that have not been given the appropriate resources to effectively market and promote Kansas. We are please to see provisions have been made to transfer the current staff to the new organization. However, the fact Kansas has seen 12 tourism directors in the past 25 years, speaks to our concern of continuity. This bill provides for strong legislative oversight of a new organization, as well as, a sunset provision allowing for legislative review. We can only benefit by allowing industry professionals to lead Kansas Tourism to a higher level.

Secondly, we must sufficiently fund the organization charged with the responsibility of promoting, developing and increasing tourism in Kansas. We can not afford to continue to do business as usual. We currently have a significant competitive disadvantage to our neighboring states in marketing dollars. The proposed funding increase is performance-based and will allow us to become competitive in a rapidly changing global market. The industry itself will generate the dollars that provide for the budget increases. Kansas boasts a wealth of tourism assets. Rich historic sites and museums, exciting new attractions, incredible natural vistas and abundant recreational opportunities can be found in every area of the state. It is very simple, if

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know one knows how incredible Kansas is, no one visits Kansas. It is imperative to fund Kansas tourism, now.

The timing is right. The tourism industry is strong in Kansas with organized alliances, coalitions and partnerships already in place. We just need the support of the State to take Kansas tourism to the next level. A viable tourism industry means a viable Kansas economy. All Kansans will benefit from your investment in Kansas tourism. We strongly urge you to send Sub SB 501 to the full House of Representative for consideration.

Most sincerely,

Lara Brehm
Director
Boot Hill Museum, Inc.

4/6-2

Greater Wichita Convention & Visitors Bureau

Testimony in Support of Sub SB 501
to the
House Committee on Economic Development & Tourism
by
John Rolfe, President and CEO
Greater Wichita Convention & Visitors Bureau

March 24, 2008

Dear Committee Chair Gordon and members of the House Committee on Economic Development & Tourism:

This testimony is in regards to the Kansas Tourism Initiative (KTI) which will be presented today to your committee. As the largest city in the state of Kansas, tourism is a key part of the economic development component for Wichita and the South Central region.

Kansas continues to lag behind in its tourism efforts and ranks very low in comparison to the other 49 states. In an effort to address this issue, a committed and passionate group of individuals from various sectors and industries came together to put Kansas on the map as a tourist destination.

I have had the privilege to serve on the KTI committee which spent significant time researching, analyzing and strategizing to develop this initiative. The KTI plan focuses primarily on three areas: Marketing & Promotion, Product Development & Grants and Research & Professional Development.

All three of these elements are key to our efforts in marketing the South Central region and successfully attracting visitors to our area.

This is the first comprehensive, long-range plan for improving tourism in Kansas in 25 years. The KTI, if passed and successfully implemented, could do the same for Kansas and the communities within Kansas, benefiting all areas of economic development.

As you continue to review, discuss and hold committee hearings about the KTI plan, I hope that you will ultimately support its passage and implementation during the 2008 legislative session.

Should you have questions that I might answer, please feel free to contact me at (316) 265-2800 or by e-mail at jrolfe@visitwichita.com.

Sincerely,



John Rolfe
President/CEO



100 S. Main, Ste. 100, Wichita, KS 67202 www.visitwichita.com
Tel 316.265.2800 Toll free 800.288.9424 Fax 316.265.0162

We Got the Goods

Economic Development & Tourism

Date: 3-24-08
Attachment # 47



106 S. Summit, Arkansas City, KS 67005/620-442-0236
www.arkcity.org / e-mail: ac-cvb@arkcitychamber.org

March 18, 2008

Committee Chair Gordon, Vice-Chair Huntington, and members of the House Economic Development & Tourism Committee:

I am the Director of the Convention & Visitors Bureau in Arkansas City. I have been in this position for just two years, though I've been in the travel industry for 20 years. I have lived in Kansas for only three years and I love Kansas. I so enjoy promoting our town, our region, and our state to any and all. The task force who worked on the KTI Initiative put together a comprehensive analysis of tourism, as it is, as it could be, and as it should be. The recommendations made by this group of travel professionals, in my opinion, cover every aspect of the new model and the final face should prove to be a positive for every player, small town, big city, and rural Kansas. The collaboration among every segment of the tourism industry regarding KTI has been heart-warming and telling.

Our town sits at the Oklahoma state line, just two miles north of three casinos. With greater funding available there would be an opportunity for us to market to those individuals passing through our town to stop and enjoy our parks, restaurants, attractions, shops, and events. Our town is part of Cowley County, the southern gateway to the Flint Hills. I have been actively involved with the Flint Hills Tourism Coalition and have been amazed at what we have accomplished by working together with the other 21 counties in the region. It has been the leadership that has taken a small group of interested individuals to a viable alliance of travel professionals along with passionate volunteers, all with the single goal of promoting the region. The proposed Visit Kansas will also offer the Coalition more opportunity to promote the beauty and heritage of this lush green land.

The Tourism Division has been re-shuffled so many times, that it has been and continues to be buried in the bureaucracy of the Department of Commerce. Twelve directors in 25 years of existence does not provide for a lot of consistency. A travel professional is needed in the Director's role, as has been proven with the expertise of the current leader filling that position. The planned seating of legislators on the Board of Directors from the outset will ensure more oversight than has been present in the past 25 years.

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Visit Kansas, given the funding, professional leadership and proper tools will give Kansas a bigger presence on the Tourism Map. Having a director and management team comprised of tourism professionals that will not change with every administration will ensure a complete understanding of the economic impact tourism has on the state. I believe every area of concern in the creation of this new entity Visit Kansas has been addressed by Sub SB 501 and I hope that you will give careful consideration in moving this piece of legislation forward.

Thank you for your time in reviewing these thoughts.

Sincerely,
Connie Kimsey, Director
Arkansas City Convention & Visitors Bureau

7/8-2

March 24, 2008

To: Chairwoman and Members of the Economic Development and Tourism Committee of the Kansas House of Representatives:

I'm writing to urge your support and "yea" vote for Substitute for Senate Bill 501 when it comes to the committee for consideration.

Substitute for SB 501 establishes the "Kansas Tourism Corporation" a quasi-public tourism development and promotion organization that will focus all its time and attention on enhancing the development of increased tourism to the state.

The bill also establishes a forward funding mechanism that is in large part "self-funding" relying on increases in revenues from increased sales directly related to tourism for the most part, for future funding of the organization and its operations.

This bill has been worked extensively by the Senate Commerce Committee and the Senate and has their majority support. The bill has been amended from its original form to address concerns of the Kansas Department of Revenue and now has provisions in it that met their concerns.

The bill requires that the success of the Corporation be evaluated periodically by Kansas, Inc.

The bill authorizes a board of directors, a majority of whom will be appointed by our elected representatives, and all of whom are subject to Senate confirmation.

Thus, the power of our elected officials to provide continuing approval and oversight of the organization is not compromised.

In this time of economic uncertainty - tourism is one segment of our economy that can be grown, with a focused effort that is adequately funded.

For example;

The relationship of the US dollar to the Euro - offers truly bargain prices to European travelers visiting the US and conversely encourages US travelers to travel domestically, to avoid the 40% decrement in our spending power when traveling to European destinations.

The price of gas discourages long trips for many of us, making our local and regional destinations more marketable to domestic travelers.

Kansas has much to offer both foreign and domestic travelers, both in our cities and in our rural areas. We have however, suffered from a severe deficit in funding for both product development and marketing and the absence of a focused, truly vibrant tourism organization that is focused solely on increasing the number of visitors to our state to grow our economy.

My board of directors chose to have our organization become a founding, fully invested member of the Flint Hills Tourism Coalition and has long adopted increased tourism as one leg of our own economic development goals. We do this because all the available evidence tells us that increased tourism is possible in Kansas and because tourism represents real opportunities for our local attractions and retail businesses.

The creation of the Kansas Tourism Corporation and the provision of adequate funding to it will go a long way to bringing Kansas into the mainstream of tourism development as a major economic development strategy.

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Accordingly , I am writing this strong note of support for Substitute for Senate Bill 501 and hope that you will give it your "yea" vote when it comes to your committee for consideration.

Thanks very much for your kind consideration of this matter.

Bob Cole

Robert L. Cole
President Elect - Flint Hills Tourism Coalition

Director
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March 24, 2008

The Kansas Museums Association supports the new tourism legislation Sub SB 501 to create an "office of tourism" separate from the Kansas Department of Commerce. This comprehensive, coordinated approach looks forward and is pro-active in tourism development, which is vital to museums across the state. The oversight provided within the bill, such as the sunset provision built into the legislation requiring legislative review in 2013, the review in the third year by Kansas Inc., and the fact that the legislature can request a Legislative Post Audit at any time, make this a bill with teeth.

The backers of the Office of Tourism believe that performance-based funding is an ultimate measuring tool, and money invested in tourism will be tracked as the industry continues to generate the dollars that provide for the budget increases for the organization. Industry leaders as well as legislators will sit on a Board of Directors that will oversee the CEO: in essence, those who understand tourism will guide the Office.

It's past time for this development in Kansas. We have much to offer tourists, and it's a proven fact that an investment into tourism reaps rewards for all involved.

Please lend your support to Sub SB 501.

Sincerely,

Carla Barber

President, Kansas Museums Association

Economic Development & Tourism

Date: 3-24-08

Attachment # 50

**Testimony in Support of Sub SB 501
To the
House committee on Economic Development & Tourism
By
Sally S. Webb, Tourism Coordinator
Atchison Area Chamber of Commerce
March 24, 2008**

I am very concerned that Kansas is going to be left behind in the tourism market. Many businesses in small and large cities depend upon tourists for the sales tax they generate. The restaurants, museums, hotels, and retail shops in our city will cease to operate at a profit without the dollars brought by visitors.

I am ashamed to know that Kansas is at the bottom of the list of those states providing tax dollars toward tourism.

This bill is to be performance based, and a sunset provision allows complete legislative review after 5 years.

We need a long-range plan for Kansas tourism. Please see the worth of our state and pass Sub SB 501.



March 24, 2008

To: House Committee on Economic Development and Tourism

From: Kathleen Taylor Olsen, Kansas Bankers Association

Re: SB 501: Kansas Tourism Initiative

The Kansas Bankers Association appreciates the opportunity to present written testimony in support of the Kansas Tourism Initiative (KTI). The KBA was asked in 2006, to be present at meetings where the idea of KTI was being discussed. We believed then, as we do now, that there is a natural link between enhanced tourism and economic development for our state.

In fact, in January of 2006 the KBA, along with the Community Bankers of Kansas, commissioned a study on the impact of public funds investment in the Kansas economy. The study was performed by Dr. John D. Wong, J.D., Ph.D., a professor in the Hugo Wall School of Urban and Public Affairs at Wichita State University.

Significant in that study, was an analysis of the "rollover effect" of a dollar spent in the Kansas economy, also referred to as the "income multiplier". The study contains an example of an initial expenditure of \$10,000 on goods and services produced in Kansas. Of the \$10,000 income generated by this expenditure, 50% or \$5,000 will be spent on Kansas produced goods and services and 20% or \$2,000 would be spent on goods and services produced elsewhere. The remaining 30% is estimated to be used for federal and state tax payments and saving.

This process is repeated in the next round with the \$5,000 of income resulting from spending on Kansas produced goods and services in the previous round and so on, so that **the total gained on the initial \$10,000 will double or will result in \$20,000 in total income accruing to Kansans.**

We believe the KTI represents a strategic plan that will expand tourism in Kansas. As the study referred to above indicates, each dollar spent in Kansas has an amazing ability to regenerate income for Kansans and that is good for the economy. The KBA and all of our member banks have a long history of supporting efforts to boost the economy of Kansas and so are excited about this opportunity.

Thank you and we ask your favorable consideration of SB 501.

Legislative Testimony

SB 501

March 24, 2008

Testimony before the Kansas Senate House Economic Development Committee
By Marlee Carpenter, Vice President of Government Affairs

Madam Chair and members of the Committee:

I am Marlee Carpenter Vice President of Government Affairs for the Kansas Chamber of Commerce. Thank you for this opportunity to voice our support for the Kansas Tourism Initiative.

The Kansas Chamber along with our local chamber's of commerce support this initiative and its positive impact on the Kansas economy. The Chamber believes that the expansion and elevation of tourism will directly result in increased economic investment and job creation in Kansas. This initiative will directly benefit communities in all parts of the state.

With tourism already a contributor to the Kansas economy, an additional investment can only work to create more jobs and economic activity. In 2004 alone, tourism in Kansas generated \$7.3 billion and created 166,952 of direct and indirect jobs. That same year the federal, state and local governments received \$1.8 billion in revenue from Kansas tourism. The return on investment from this initiative has been estimated at \$260 million in visitor spending for \$5 million in enhanced advertising efforts. The estimated economic value is an increase of \$200 million in tourism spending, \$125 million in increased wages and salaries, 6,000 new jobs and a \$33 million increase in state and local taxes.

Again, the Kansas Chamber and our local chamber's of commerce support this program and expansion of this section or the economy. Thank you for the opportunity to express our support for the Kansas Tourism Initiative.



Kansas Chamber, with headquarters in Topeka, is the leading statewide pro-business advocacy group moving Kansas towards becoming the best state in America to live and work. The Chamber represents small, medium and large employers all across Kansas.

835 SW Topeka Blvd. Topeka, KS 66612 785.357.6321

Testimony in Support of Sub SB 501
to the
House Committee on Economic Development & Tourism
by
Bridgette Jobe, Director
Kansas City Kansas – Wyandotte County Convention & Visitors Bureau
March 24, 2008

Representative Gordon,

The Kansas City Kansas - Wyandotte County Convention & Visitors Bureau encourages you to support Sub SB 501.

This new model for a Kansas Tourism Corporation will provide more legislative oversight than has been realized in the last 25 years. Performance based and dedicated funding will provide for continuity and consistency of message that will give Kansas the opportunity to compete for visitors with other Heartland states. This pro-active model will enhance the Kansas tourism product, will strengthen the positioning of Kansas travel and tourism and will be a significant return on investment to the State of Kansas and its communities.

Currently the Kansas tourism budget is significantly below our neighboring states. Being located next to Missouri, we often partner with the CVB's throughout Missouri, and I am amazed at the disadvantage Kansas has in being able to adequately promote ourselves to tourists. Missouri is currently looking to increase their tourism budget by 4 million dollars, which almost equals the entire current Kansas tourism budget. In 2005, the Kansas City Travel Information Center operated by Kansas Travel and Tourism was closed due to lack of funding. Currently there is not a Visitor Information Center on the eastern side of our state. For a visitor center to operate on this side of the state, it would have to be operated with 100% local funds. How can we compete with our neighboring states?

The growth of tourism in the last few years in Wyandotte County is a perfect example of the potential that is possible throughout the state. Less than 10 years ago, no one would have thought that Kansas City Kansas would be bringing thousands of visitors and their tourism dollars to our community each year. It was through bold and courageous actions by local and state officials that made Kansas City Kansas a tourism destination. I encourage you to see the potential for our entire state.

Sincerely,



Bridgette Jobe, Director
Kansas City Kansas – Wyandotte County Convention & Visitors Bureau
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