

Testimony of Commerce Secretary Pat George In Support of Liquor-by-the-Drink Legislation for Railcar Operators

House Federal and State Affairs Committee

1:30 p.m., Monday, March 5, 2012
Old Supreme Court Chambers

Mr. Chairman and members of the Committee, I want to express my support for legislation proposed by Rep. TerriLois Gregory to allow railcars to serve liquor by the drink in Kansas. The reasoning for Rep. Gregory's legislation is sound: Liquor by the drink will help railcar businesses attract and keep patrons, which promotes economic activity and creates jobs for the state.

There is currently no way in Kansas for a railcar operator to obtain a liquor-by-the-drink license in Kansas. Therefore, companies interested in setting up operations in the state would not be able to offer, for instance, a glass of wine with dinner.

Railcar operators are part of the heritage tourism industry, and as you know, the Brownback Administration wants to promote more tourism in Kansas. This legislation is one direct way to help do that. As of today, Rep. Gregory knows of at least one established railcar operator based in Nebraska who wants to open a tourism business in her district, if the Legislature can make this change to the state's liquor statutes.

Heritage tourism is an industry that provides jobs, generates taxes and has the added benefit of protecting historic structures, upholding cultural heritage and preserving the natural environment in ways that can increase the quality of life for Kansans, while attracting visitors to our state's communities.

Tourism in Kansas has a \$5.5 billion economic impact on the state and contributes one out of every nine jobs to the state's economy, according the Department of Wildlife, Parks and Tourism. The U.S. Department of Commerce estimates that 10 jobs are sustained for every 1,000 visitors engaging in heritage tourism. Such visitors spend on average \$623 per visit compared to \$457 for a "regular" tourist and stay an average of two nights longer in the area being visited.

Rep. Gregory has vetted this change with numerous stakeholders at the city and county level, as well as those that track liquor law in Kansas. They have indicated to her nothing but enthusiastic support for this change. This change seems like a common sense way to help make the state more attractive to railcar operators, adding to our efforts to promote heritage tourism in the state. I urge the Committee to support this legislation.

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Attachment # 20