



House Commerce and Economic Development Committee
Written Testimony in Support of HB 2529
By Jim Zaleski, Advocacy Chair
February 17, 2020

Chairman Tarwater and members of the Committee:

Thank you for the opportunity today to submit testimony on behalf of the Travel Industry Association of Kansas (TIAK) in support of House Bill 2529.

TIAK represents the many advocates of the travel industry in Kansas working to bring people to Kansas and encouraging travel throughout the state. In 2018, visitors to Kansas welcomed over 35.6 million visitors that generated \$7.1 billion. Tourism in Kansas generates \$638 million in sales and use tax revenue saving Kansas households \$600 annually.

Tourism is one of the economic drivers of the Kansas economy, which is why we support HB 2529. TIAK encourages the committee to extend the sunset date on the STAR Bonds program until 2025. Many Kansas communities have benefited from the STAR Bonds program by developing new attractions which draw tourists to their communities. Projects such as the Kansas Speedway in Kansas City, Flint Hills Discovery Center in Manhattan and the Boot Hill Museum in Dodge City are all examples of successful destination tourism attractions that, when coupled with strong retail districts, have brought excitement, media coverage, NEW visitors and jobs to our Kansas communities as well as NEW revenue to the state and local economies.

TIAK members applaud provisions in HB 2529 to improve and refine the STAR Bonds program. TIAK supports increases in the capital investment and projected revenue from \$50 to \$75 million for urban projects as well as the specific definition and recognition of rural projects. In addition, we applaud the addition of language that requires a STAR Bond plan to outline how the number of visitors to the STAR bond project district will be tracked and reported to the secretary on an annual basis. Our members believe provisions such as these strengthen the program and assure STAR Bond projects bring a sufficient investment as well as attract visitors to our state.

There are a few areas of concerns after reviewing HB 2529 that our TIAK members would respectfully ask you consider as you discuss the bill. They are as follows:

- *MSA Designation.* TIAK members do have concerns with the proximity of rural communities being captured in designated MSA's will preclude them taking advantage of rural development projects. We urge you to consider a method to allow the rural communities captured in the MSA's guidelines to still participate in STAR Bonds through a rural development project.
- *Definition of Rural Development Projects.* TIAK members have concerns with the \$4 million amount set out in the definition of the Rural Development Projects and urge lawmakers to consider a wider range to allow for more flexibility for smaller projects

Thank you for the opportunity to support HB 2529. I will be happy to answer questions at any time.