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Testimony Before the Senate Commerce Committee Neutral SB 434

By Natalie Bright, Executive Director

Chair Lynn and members of the Committee;

TIAK, the Travel Industry Association of Kansas, represents the advocates of the travel industry in Kansas who are responsible to market and attract visitors to our state. Our membership represents the travel industry from all regions of Kansas and embodies communities of all sizes. In 2016 Kansas visitors' economic highlights include:

- Visitor spending rose 2.1% in 2016 to \$6.7 billion and this spending generated \$10.8 billion in total business sales.
- Tourism in Kansas generated \$282 million in state taxes and \$327 million in local taxes in 2016.
- Each traveler on average spends \$75 a day and \$357 for overnight which averages \$186 per traveler.

TIAK is neutral on HB 434 because our members support the concept that STAR Bonds projects are designed to attract tourists to Kansas by the development of destination tourism attractions throughout the state. 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 to our Kansas communities, have created jobs and ultimately revenue to the State and local economies.

Our tourism professionals are charged with the promotion and attraction of tourists to STAR bond projects, and ultimately bear some responsibility for their success. As such, we respectfully request language be inserted into SB 434 requiring a local tourism professional, most optimally the local Destination Marketing Organization Representative, be part of the development of future STAR bond projects. This will help assure projects are marketable and sustainable in their design to attract tourists to our state.

While we are neutral on the bill, TIAK members do have a few concerns with SB 434. Specifically, the bill sets out to define a "*Tourist*" as "a person traveling for pleasure, culture or to attend or participate in a regional sports competition." This definition does not recognize travelers to our state who come for meetings and conventions, a longstanding component of Kansas tourism, and which a STAR Bonds district could be designed to attract and further grow our state's economy. It is estimated that business travelers represent 37.6% of the travel market and generate \$2.5 billion to the Kansas economy in revenue annually. A STAR Bonds project designed around attracting additional conferences and meetings to Kansas could be beneficial to both small and large communities in Kansas and leverage even more of this predictable traveler.

Tourism is one of the leading economic drivers of the Kansas economy. Economic development tools such as STAR Bonds has been a useful tool for both large and small urban and rural communities in Kansas. TIAK members believe it is a valuable program that assists with developing and maintaining our state's resources and attractions. We encourage this committee and the Legislature to proceed with caution in making changes to the existing program so that new tourism opportunities are brought to the state of Kansas.

Thank you for your time and consideration of issues. I am happy to stand for questions at the appropriate time.