

HOUSE BUDGET REVIEW SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC PROTECTION, TOURISM, AND ENERGY

Minutes of the 1st Meeting of the 2023 Regular Session

February 8, 2023

Call to Order and Roll Call

The 1st meeting of the House Budget Review Subcommittee on Economic Development, Public Protection, Tourism, and Energy was held on February 8, 2023, at 12:00 AM in Room 171 of the Capitol Annex. Representative Chris Fugate, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Chris Fugate, Chair; Representative Russell Webber, Representative Chad Aull, Representative Josh Bray, Representative Mark Hart, and Representative Matt Lockett.

Guests: Lindy Casebier, Cabinet Secretary; Mike Mangeot, Commissioner, KY Department of Tourism; and Mona Juett, Chief of Staff, Tourism, Arts, and Heritage Cabinet.

LRC Staff: Joseph Holt, Kevin Newton, Sara Rome, and Jennifer Luttrell.

Tourism, Arts, and Heritage Cabinet

Mike Mangeot, Commissioner of the Kentucky Department of Tourism, provided information on the Tourism Recovery and Investment Program.

In response to questions from Representative Webber, Mr. Mangeot confirmed that the Shepherdsville/Bullitt County Tourist and Convention Commission received \$296,000 under Tranche 2, which was part of the \$25 million reserved for tourism commissions for marketing communities. The legislation said that the amount would be determined from the economic impact generated by the county from the pre-pandemic 2019 economic impact report. Maximum grant amounts were awarded to the available square footage for meetings and conventions. The tourism commission received \$305,000 for the Paroquet Springs Conference Centre from Tranche 3, the more competitive program based on the available square footage.

In response to a question from Representative Aull, Mr. Mangeot replied that the small number of awards given in Tranche 4 was due to many unknowns concerning tourism partners and questions regarding what qualifies projects. Nothing stops a commission from requesting additional funding after a successfully awarded project. Some commissions held off until the next fiscal year to plan because there is no flexibility in the ten percent match on Tranches 2 and 4 as mandated in the legislation. It depends on the local tourism commission if they have the ten percent match who will be the primary grantee and take on the responsibility to report. The department is looking to open the tranches sooner to give enough time because the funds must be spent by December 31, 2024.

In response to a question from Representative Lockett, Mr. Mangeot said the awards are spread across the entire state. Tranche 2 was open to a percentage for every county, but not every

county has a tourism commission. The eastern part of the state is the most extensive area with no established tourism commissions. Tranche 3 and Tranche 4 were spread around the state. Tourism is about working regionally together to include multiple counties. The department would like an outside industry to fund more communities that don't have an established tourism commission or for those counties to develop a fully funded commission to see a good return.

To Representative Fugate's questions, Mr. Mangeot replied that he would provide the committee with a list of all the tourism commissions in East Kentucky. Not many grants were awarded to this area because the commissions did not request money from Tranche 2. The Kentucky Mountain Regional Recreation authority, the ATV trail system spanning 18 counties, could not request money from Tranche 4 because it is not a tourism commission. Based on the legislation, a tourism commission needs at least five counties, one to be the primary grantee and at least five other counties. The funds cannot be subcontracted out; the money must be used for marketing purposes, not administrative costs. Five counties that were part of the trail authority would have to request money for marketing and provide a ten percent match to qualify.

Adjournment

There being no further business before the subcommittee, the meeting was adjourned at 12:28 PM.