

# **INTERIM JOINT COMMITTEE ON TOURISM, SMALL BUSINESS, AND INFORMATION TECHNOLOGY**

## **Minutes of the 6th Meeting of the 2024 Interim**

**November 14, 2024**

### **Call to Order and Roll Call**

The sixth meeting of the Interim Joint Committee on Tourism, Small Business, and Information Technology was held on November 14, 2024, at 1:00 PM in Room 149 of the Capitol Annex. Representative Phillip Pratt, Chair, called the meeting to order, and the secretary called the roll.

### **Present were:**

Members: Representative Phillip Pratt, Co-Chair; Senator Max Wise, Co-Chair; Representative Kim King, Co-Chair; Senators Shelley Funke Frommeyer, Rick Girdler, Phillip Wheeler, and Mike Wilson; Representatives Chad Aull, Shane Baker, Ryan Dotson, Daniel Fister, Chris Freeland, Chris Fugate, Nima Kulkarni, Savannah Maddox, Shawn McPherson, Michael Sarge Pollock, Sarah Stalker, Killian Timoney, Richard White, Nick Wilson, and Susan Witten.

Guests: Senator Shelley Funke Frommeyer; Julie Kirkpatrick, President and CEO, meetNKY; Tim Fogarty, Co-Chair, America's River Roots Experience; Eric Gregory, President, Kentucky Distillers' Association; Jack Mazurak, Director of Governmental and Regulatory Affairs, Kentucky Distillers' Association; Dr. David Wicks, Vice Chair, Ohio River Way.

LRC Staff: Janine Coy, Christian Deeter, Austin Johnson, Matissa Robinson, and Sasche Allen.

### **Approval of Minutes**

A motion to approve the minutes of the October 24, 2024, meeting was made by Representative Fister, seconded by Representative Timoney, and approved by voice vote.

### **Bourbon Builds Kentucky - The 25th Anniversary Rebrand of the Kentucky Bourbon Trail**

Eric Gregory, President of the Kentucky Distillers' Association (KDA), and Jack Mazurak, Director of Governmental and Regulatory Affairs at KDA, highlighted bourbon's contribution to the state's economy, history, and culture. KDA has 123 members comprised of 70 distilling members and 53 industry partners with 86 distilling member operations in 42 counties. Bourbon is a \$9 billion industry that supports over 23,100 jobs with annual

salaries, wages, and benefits of \$2.2 billion. The industry also generated \$358 million in local and state taxes in 2023. Key points included bourbon's role in tourism through attractions like the Kentucky Bourbon Trail, which drew over 2.5 million visitors in 2023, generating significant revenue for local businesses and hospitality sectors. Bourbon distilleries utilize millions of bushels of locally grown corn and grains, benefiting farm communities statewide. Increased competition from other states and countries are presenting challenges to the Commonwealth's dominance in bourbon production.

Answering Representative Aull, Mr. Gregory stated KDA is taking steps to increase the sustainability of White Oak, which is heavily used in the bourbon industry, and discussed related efforts by industry partners.

Responding to Chair King, Mr. Gregory discussed consumer saturation and said industry growth has been dictated by the global market. He discussed tariffs on alcohol and related industry products.

Addressing Representative Kulkarni, Mr. Gregory confirmed the market has shifted due to tariffs. Historically, the European Union was the industry's largest market, but that shifted once tariffs were put in place in 2018. Japan, Australia, and Canada have been consistent industry markets. He stated KDA members and other industry partners are attempting to prepare for future tariffs.

Replying to Representative Timoney, Mr. Mazurak discussed the opening of a OI Glass location in Warren County, the first glass manufacturer for the state, and other industry glass partners. Mr. Gregory said the need for a glass manufacturer in the Commonwealth was highlighted during the pandemic.

Answering a question from Senator Funke Frommeyer, Mr. Gregory acknowledged KDA's collaboration with the Tourism, Arts, and Heritage Cabinet and local convention and visitor bureaus. Mr. Mazurak discussed showcasing the state through tourism to encourage tourists to permanently migrate to the Commonwealth.

### **Update on America's 250th Celebration in Northern Kentucky**

Northern Kentucky will host a large-scale festival from October 8, 2025, to October 12, 2025, celebrating the Ohio River's historical significance and for commemorating the United States' 250th anniversary. The event, spanning Cincinnati, Covington, and Newport, is expected to attract hundreds of thousands of visitors. It will feature riverboat cruises, music, food, and historical exhibits showcasing the river's role in westward expansion and American heritage. The Kentucky Historical Society is offering \$10,000 America250KY grants to local institutions, aiming to enhance community events and programs leading up to the national milestone. This initiative supports heritage tourism and economic growth,

emphasizing the Commonwealth's pivotal role in U.S. history. Legislative requests included the Kentucky 250th Planning Commission's designation of America's River Roots as the Commonwealth's kickoff event, and the General Assembly's endorsement included \$500,000 in funds from the Kentucky's 250th event's 2024 budget allocation.

### **Introduction to the Kentucky Ohio River Regional Recreation Authority (KORRRA) and Proposed Amendments**

Dr. David Wicks, Vice Chair of the Ohio River Way, highlighted ongoing efforts to develop and connect recreation resources along the Ohio River. The Kentucky Ohio River Regional Recreation Authority (KORRRA) was established through passage of 2024 HB 712 to promote tourism and outdoor recreation in 25 counties along the river. This initiative was inspired by the successful Kentucky Mountain Regional Recreation Authority, which developed ATV trails in the eastern part of the state. Counties such as Campbell, Boone, and Kenton have joined, and the authority requires participation from at least 11 counties to become fully operational. The authority's goals include enhancing economic development and recreational opportunities through coordinated planning, development of trails and marinas, and collaboration with local governments and private stakeholders. KORRRA is administratively attached to the Department for Local Government and is seeking an executive director.

Answering Senator Funke Frommeyer, Dr. Wicks explained the relationship between KORRRA and the Army Corps of Engineers, and the categorization of water trails in the Commonwealth.

### **Adjournment**

There being no further business before the committee, the meeting adjourned at 2:18 PM.