



Senate Bill 505: Modifying the Department of Tourism's Reporting Duties and Repealing Requirements to Distribute Cheese, Submit a Financial Statement, and Use Famous Residents in Marketing
Senate Committee on Agriculture and Tourism
Testimony of Senator Joan Ballweg
October 6, 2021

Good morning, members of the committee, and thank you for hearing this legislation.

SB 505 revises current statutory language for the Department of Tourism regarding their reporting responsibilities and other obsolete mandates. Last session, the Law Revision Committee introduced as remedial legislation 2019 Senate Bill 804, which contained identical provisions on reporting duties and cheese distribution, but it failed to pass since it was introduced at the end of last session. SB 505 reintroduces these two provisions, and it includes two other statutory provisions requested by the Department of Tourism:

- 1.) **Reporting Duties:** Currently, the Department of Tourism makes an annual report to the legislature on its activities of the previous fiscal year. However, current law dictates that the Department of Tourism makes this report to the "Senate Natural Resources Committee and the Assembly Committee on Tourism." Instead, this proposal directs the Department of Tourism to make its annual report to the "appropriate standing committees" in the legislature.
- 2.) **Cheese Distribution:** This bill repeals obsolete statute dictating that the Department of Tourism shall distribute free cheese to visitors at tourist information centers. Because the department has not operated tourist information centers since 2009 when funding was eliminated, this statute is no longer relevant.
- 3.) **Golf Wisconsin Audit:** Under a current program, vehicles may be registered with a Golf Wisconsin license plate that donates a portion of the proceeds to the Wisconsin Professional Golfers Association Junior Foundation (WPGA). However, current law stipulates that the WPGA must annually submit an audited financial statement showing how it used these funds. The financial burden of this audit falls on the WPGA, and the audit may cost nearly as much as all the money generated for the WPGA through the program (in 2018, the WPGA received roughly \$10,000 through this program). As a result of this, the WPGA Junior Foundation has not yet conducted reports or audits. This bill repeals the statute dictating that the WPGA makes an annual audited financial statement on its expenditure of funds generated by the program.



JOAN BALLWEG

STATE SENATOR • 14TH SENATE DISTRICT

4.) **Use of Famous Residents in Advertising:** This bill removes language in statute requiring the Department of Tourism to “consider the use of famous residents and former residents of this state in tourism marketing strategies.” There are countless tactics the Council on Tourism may consider to optimize marketing, but the use of celebrities is the sole tactic delineated in statute. This bill removes the requirement from statute.

Thank you for your time. I am happy to answer any questions you may have.

Testimony of Secretary-designee Anne Sayers
Senate Agriculture and Tourism Committee
October 6, 2021
In favor of Senate Bill 505

Dear Senator Ballweg,

I want to thank you for working to clean up outdated items in Wisconsin's tourism statutes. While I cannot be in attendance at today's committee meeting, I remain dedicated to helping the tourism industry recover from the global public health pandemic by inspiring travelers to share unexpected moments of joy in Wisconsin. This technical bill cleans up four areas of the statutes:

Modernize the Department of Tourism's reporting duties

Under 41.11(1), the Department of Tourism is required to annually report on its activities to the Senate Natural Resources Committee and the Assembly Committee on Tourism.

Because committee names change each legislative session, we recommend modifying the statute to bring it in line with historic practice by requiring the department to report to the appropriate standing committees of the legislature. This proposal more accurately reflects previous practice of the agency, which is to communicate our annual report to the Assembly and Senate committees that most frequently handle tourism-related matters.

Cheese distribution

Current law requires the Department of Tourism to distribute donated Wisconsin-made cheese at tourist information centers. As a result of a 2009 change in the state statute, the Department of Tourism no longer operates tourist information centers, as referenced in statute 41.11 (5) and therefore, the statute is null and the Department of Tourism hasn't fulfilled this section of the statutes since that time. For this reason, we recommend deleting 41.11 (5) in its entirety.

WPGA audit requirement

Under current law, drivers may purchase a special Golf Wisconsin license plate, the fee for which includes a contribution to the WPGA Junior Foundation. The foundation is required to annually submit an audited financial statement on its use of the contributions to the attorney general and legislature. The department recommends deleting this requirement.

In 2018, 67 license plates brought in \$9,962.50 to the WPGA Junior Foundation. According to 41.11 (1g) (6) of statute, "*Establish by rule a requirement that the recipient of a grant or loan under the program of at least \$100,000 submit to the department a verified statement signed by both an independent certified public accountant licensed or certified under Ch. 442 and the director or [principal officer of the recipient to attest to the accuracy of the verified statement, and make available for inspection the documents supporting the verified statement. The department shall include the requirement established by rule under this subdivision in the contract entered into by a grant or loan recipient.*"

Wisconsin Governor Tony Evers

Wisconsin Department of Tourism Secretary-designee Anne Sayers

3319 West Beltline Hwy P.O. Box 8690 Madison, WI 53708-8690 Telephone: 608.266.7621 FAX: 608.266.3403

INDUSTRY.TRAVELWISCONSIN.COM

As the committee can see, the revenue generated from these license plates, while welcome, doesn't substantiate the cost of an audit, which the recipients of the funds would have to absorb. As such, the WPGA Junior Foundation has not conducted reports or audits to date. We believe the traditional statutory trigger for reporting from traditional grant recipients is of \$100,000 is a more appropriate reporting threshold.

Removing marketing strategy from statute

Under current law, the Council on Tourism is required to consider the use of famous Wisconsin residents and former residents in tourism marketing strategies. The department requests that 41.12 (3) be deleted for multiple reasons. Primarily, we believe our marketing campaigns should be data driven. As our industry is attempting to bounce back stronger from the pandemic, a lot is riding on the success of the department's strategic marketing efforts. There are times when celebrity can be helpful in marketing a product, but committee members should consider that aligning the state's tourism reputation with that of a celebrity is not without risk. Celebrities are humans and subject to personal downfalls. When a celebrity experiences a scandal, it's not just their reputation on the line, but also every product they endorse.

Secondarily, celebrity is just one of the many potential tactics to consider when designing a successful marketing campaign. Just as other marketing tools such as data and market research are appropriately not delineated in statute, the department believes it is unnecessary to require consideration of celebrity as a marketing strategy by law.

Finally, in reviewing Department of Tourism marketing campaigns over the previous decade, the department has found several instances in which celebrities would not fit with a campaign. Because the statute is non-binding, it simply hasn't historically been followed by the department. Thus, we believe such marketing strategy considerations are best left out of statute.

Thank you for taking the time to bring these items before the Committee today.

Wisconsin Governor Tony Evers

Wisconsin Department of Tourism Secretary-designee Anne Sayers

3319 West Beltline Hwy P.O. Box 8690 Madison, WI 53708-8690 Telephone: 608.266.7621 FAX: 608.266.3403

INDUSTRY.TRAVELWISCONSIN.COM