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# JON PLUMER

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STATE REPRESENTATIVE • 42<sup>nd</sup> ASSEMBLY DISTRICT

Testimony – **Assembly Bill 509** – Relating to modifying the Department of Tourism's reporting duties and repealing requirements to distribute cheese, submit a financial statement, and use famous residents in marketing.

## **Assembly Committee on Tourism October 20, 2021**

Thank you Chairman Tranel and members of the Assembly Committee on Tourism for your consideration of Assembly Bill 509.

Assembly Bill 509 is a straight forward piece of legislation that updates statutory language, eliminates outdated provisions, and makes common sense revisions to benefit a non-profit.

Currently, state statute requires the Department of Tourism to make an annual report on their activities to the Senate Natural Resources Committee and the Assembly Committee on Tourism. Legislative committees are not set in stone and change from session to session, and there are frequently more appropriate committees in the Senate to receive the annual report than the committee set in statute. This session for example, the Senate Committee on Agriculture and Tourism deals directly with tourism related issues. AB 509 changes statute to direct the annual report be made to the “appropriate standing committees.”

Assembly Bill 509 eliminates a provision of statute that requires the Department of Tourism to distribute donated cheese at tourist information centers. This provision is outdated as the department no longer operates these centers.

This legislation also repeals the requirement for the council on tourism to consider the use of famous Wisconsinites in their marketing strategies. This provision was enacted in 1987 and marketing strategies have come a long way since then. Market and date driven strategies should be what guide our state’s advertising strategies. The professionals at the Department of Tourism know the value of celebrity endorsements, but should not be required to consider their use for every marketing campaign.

Finally, the bill eliminates an annual requirement for the WPGA Junior Foundation to submit an audit of funds received from their specialty license plate to the attorney general and the presiding officer of each house of the legislature. Other non-profits that receive funds from specialty plates

are not subject to this provision and a professionally conducted audit costs nearly as much as the group receives from the plates.

Thank you again for your consideration of this common sense bill and I would be happy to answer any questions you have.



Assembly Bill 509: Modifying the Department of Tourism's Reporting Duties and Repealing Requirements to Distribute Cheese, Submit a Financial Statement, and Use Famous Residents in Marketing  
Assembly Committee on Tourism  
Testimony of Senator Joan Ballweg  
October 20, 2021

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

AB 509 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. AB 509 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 • 14<sup>TH</sup> 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.

The Senate Committee on Agriculture and Tourism recently voted unanimously to pass the Senate companion legislation (SB 505), which is being voted on the Senate floor today.

Thank you for your time and consideration of this legislation.

**Testimony of Secretary-designee Anne Sayers**

*Assembly Tourism Committee*

*October 20, 2021*

**In favor of Assembly Bill 509**

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Dear Representative Tranel,

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**

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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 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**

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