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Committee Members:

TESTIMONY REGARDING SB247

Theatre Lawrence is one of a handful of Kansas theaters that function as 501(c)(3) institutions and operate as small independent businesses. We are not part of a larger organization such as a city, a county or a university. Therefore, we are dependent on earned revenue from ticket sales, educational class fees for children and adults, and rentals. We also receive donations from local supporters and occasional grants.

Theatre Lawrence was established in 1977, and moved into a renovated church in 1984 for a 30 - year span. By 2013 Theatre Lawrence had raised \$7.2 million in private gifts and grants to construct and open a 35,000 square-foot theater/education facility in West Lawrence. Less than 2% of this funding came from public sources.

Theatre Lawrence partners with volunteers to create and deliver extraordinary theatre and education programs that engage community members of all ages and backgrounds as audience members and participants. We strive to provide performers opportunities to hone their talents, to encourage youth of all ages and backgrounds to explore their theatrical interests, and to engage our audiences with entertaining and thoughtful productions.

Currently, Theatre Lawrence pays sales tax on everything it purchases as well as on every ticket it sells. In our location that means that we are paying **10.3%** on everything we buy and sell. For example, we pay 10.3% sales tax on lumber for sets and fabric for costumes. Then we turn around and pay 10.3% on ticket purchases for shows using those materials.

Our budget prior to the pandemic was close to \$1 million. We employed five full-time and four part-time staff members and approximately 40 contract and teaching artists. Our payroll exceeded \$330,000. For the past two years government disaster relief programs including PPP & SVOG have helped Theatre Lawrence maintain most of its staff and continue to provide theatrical productions and education opportunities where possible to the Lawrence and Douglas County community.

However, after almost three years of severely restricted attendance by government mandate and continuing public concerns about Covid, our attendance remains down about 30% and our ability to retain employees and purchase needed materials in the future is in jeopardy.

A sales tax exemption would help Theatre Lawrence enormously. Our 9-year-old facility is beginning to have strong maintenance needs. Our parking lot just needed major crack reduction

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and repaving. The state sales tax bill alone was over \$2000 for that work. We do most of our purchasing locally. The same \$2000 reinvested in our local budget could pay a part-time office assistant for 6 weeks or purchase enough plywood to build an entire season of shows. It could have stretched a recent state grant to allow us to purchase 2 additional stage lights or license 3 children's shows.

We have watched prices soar and are having to redesign and reduce the quality of our sets and costumes, and as a result, cut back on those local purchases. We estimate that the proposed sales tax exemption would provide us with an additional \$30,000.

Having the proposed sales tax exemption would enable us to maintain the quality of our productions and educational services while reinvesting that money in our community's economy.

The arts hold a unique position in their ability to bring communities together to help each other, laugh, share empathy, and sing. We are committed to providing Lawrence, Douglas County and the surrounding areas quality theatrical productions that both entertain and stimulate our audience. We strive to serve our community and to enhance its general quality of life.

While my understanding is that this exemption will not have a substantial impact on state revenues, it would have a huge impact on our Theatre's daily operations.

Respectfully,
Mary Doveton
Executive Director, Theatre Lawrence