

MINUTES OF THE SENATE FEDERAL AND STATE AFFAIRS COMMITTEE

The meeting was called to order by Chairperson Ralph Ostmeyer at 10:30 am on Tuesday, March 10, 2015, 144-S of the Capitol.

All members were present except:

Senator Oletha Faust-Goudeau – Excused

Senator Jeff Longbine – Excused

Senator Kay Wolf – Excused

Committee staff present:

Heather O'Hara, Legislative Research Department

Connie Burns, Kansas Legislative Committee Assistant

Joanna Wochner, Legislative Research Department

Matt Sterling, Office of Revisor of Statutes

Mike Heim, Office of Revisor of Statutes

Conferees appearing before the Committee:

Derek Hein, Hein Governmental Consulting, LLC

Representative Brett Hildabrand

Jeremy Kudon, Fantasy Sports Trade Association

Representative Becky Hutchins

Sheli Sweeney Kaw Valley Chapter of the Military Officers Association of America

Nicky Inskeep, National Guard Association of Kansas

Wayne Bollig, Kansas Commission on Veterans Affairs Office

Charles Yunker, The American Legion Department of Kansas

David Brader, Disabled American Veterans, Department of Kansas

Others in attendance:

[See Attached List](#)

Introduction of Bills

Senator Wilborn requested a bill introduction authorizing microbreweries to manufacture and sell hard cider and mead.

Senator Wilborn moved that this request should be introduced as a committee bill. Senator Holmes seconded the motion. The motion carried.

Senator Abrams requested a bill introduction that would make Cowley county the official stone bridge capital of the state of Kansas

Senator Olson moved that this request should be introduced as a committee bill. Senator Holmes seconded the motion. The motion carried.

CONTINUATION SHEET

MINUTES of the Committee on Federal and State Affairs at 10:30 am on Tuesday, March 10, 2015, 144-S of the Capitol.

SB 267 Exclusion of fantasy sports leagues from the crime of gambling

Chairman Ostmeyer opened the hearing on **SB 267**.

Staff provided an overview of the bill.

Representative Brett Hildabrand appeared before the committee as a proponent on the bill. ([Attachment 1](#)) The bill would clarify that operating or participating in a fantasy sports league is not considered a bet and would not be considered an illegal lottery or illegal sports betting.

Derek Hein, Hein Governmental Consulting, LLC, testified in favor of the bill. ([Attachment 2](#)) The bill clarifies in state law that fantasy contests both seasonal and daily are a game of skill, just as they are recognized in federal law. The Unlawful Internet Gambling Enforcement Act, which was passed by Congress in 2006, made internet gambling illegal; however, it acknowledged that fantasy sports are not a game of chance, but a game of skill. The bill passed with bi-partisan support in the House, receiving Yes votes from former Representatives Jerry Moran, Jim Ryun, and Dennis Moore.

Jeremy Kudon, Outside Counsel to the Fantasy Sports Trade Association (FTSA), appeared in favor of the bill. ([Attachment 3](#)) Mr. Kudon stated that last August, the Kansas Racing and Gaming Commission updated its Frequently Asked Questions about the legality of fantasy sports. The Commission included new language in this section of its website stating that if a fantasy sports league has a buy-in and gives a prize, then all three elements of an illegal lottery are satisfied. This opinion was based on the Commission's view that fantasy sports contests are predominantly games of chance. The bill would confirm that fantasy sports contests that meet certain specified criteria are games of skill and legal under Kansas law; and give 500,000 Kansas residents peace of mind that they can continue participating in the fantasy sports contests that they love.

Chairman Ostmeyer closed the hearing on **SB 267**.

HB 2228 Allowing in-state tuition status for current and former military members

Chairman Ostmeyer opened the hearing on **HB 2228**.

Staff provided an overview of the bill.

Representative Becky Hutchins appeared as a proponent on the bill. ([Attachment 4](#)) The report of the Joint Committee on Kansas Security to the 2015 Kansas Legislature Conclusions and Recommendations states The Joint Committee recommends the state amend law as necessary so the state adheres to federal guidelines regarding in state tuition for veterans. The bill is supported by all the major veterans service organizations, and was passed by the House in order to be compliant with

CONTINUATION SHEET

MINUTES of the Committee on Federal and State Affairs at 10:30 am on Tuesday, March 10, 2015, 144-S of the Capitol.

Federal Law and the potential loss of \$104 million in benefits to our veterans.

Sheli Sweeney, Legislative Liaison of the Kaw Valley Chapter (KVC) of the Military Officers Association of America (MOAA), spoke in favor of the bill. ([Attachment 5](#)) MOAA-KVC supports passage of the bill to ensure that military members are able to meet their higher education goals at Kansas Institutions of higher education; military members are more likely to get their education here in Kansas if they can pay in state tuition, which is a win-win policy for Kansas. A suggested amendment was offered in new section one to add national guard or reserve when the bill is worked.

Nicky Inskeep, Legislative Liaison for the National Guard Association of Kansas (NGAKS), appeared in favor of the bill. ([Attachment 6](#)) The NGAKS supports the concept of in state tuition for the military members, and supports the bill with amendments, and asked that the committee ensure that all Kansas National Guardsmen are covered by this policy, not just those on active duty. NGAKS proposed amending the bill to include National Guard or reserve members of the armed forces of the United States.

Wayne Bollig, Deputy Director, Kansas Commission on Veterans Affairs Office, spoke in favor of the bill. ([Attachment 7](#)) Mr. Bollig stated that this bill is not just about Federal Law and the Choice Act; it is about veterans, widows and soldiers of those killed in action, and about saying Kansas is a veteran friendly state.

Charles M. Yunker, Adjutant, The American Legion Department of Kansas, appeared as a proponent on the bill. ([Attachment 8](#)) The bill is good economics, and asks that the committee stand against any attempt to amend or dilute it in its present form.

David W. Brader, Department Adjutant, Disabled American Veterans, Department of Kansas, testified in favor of the bill. ([Attachment 9](#)) Mr. Brader stated that veterans and their families are an asset to the state they choose to call home.

Written testimony was provided in support of the bill by:

Bruce Fischbach, State Commander Kansas Veterans of Foreign Wars. ([Attachment 10](#))

Kansas Board of Regents ([Attachment 11](#))

Major General Lee E. Tafari, The Adjutant General. ([Attachment 12](#))

Chairman Ostmeier closed the hearing on **HB 2228**.

The next meeting is scheduled March 11, 2015. The meeting was adjourned at 11:20 a.m.