

MINUTES OF THE HOUSE COMMITTEE ON FEDERAL & STATE AFFAIRSThe meeting was called to order by REPRESENTATIVE ROBERT H. MILLER at
Chairperson1:30 a.m./p.m. on February 22, 1988 in room 526S of the Capitol.

All members were present except:

Representatives Jenkins, Sprague & Sifers - E
Representatives Peterson & Rolfs

Committee staff present:

Mary Torrence, Revisor's Office
Mary Galligan, Research Department
Lynda Hutfles, Secretary

Conferees appearing before the committee:

Representative Wagon
Jim Robertson
Jon Brax
Art Griggs, Department of Administration

The meeting was called to order by Chairman Miller.

Representative Baker explained a bill requested by the District Attorneys of Wichita. Representative Rolfs made a motion, seconded by Representative Walker, to introduce Representative Baker's proposal. The motion carried.

The chairman announced that HB2765 dealing with the investigation of abuse reports in certain facilities by agents of the attorney general is postponed until Thursday.

HB2834 - Lottery prize winnings subject to setoff and reporting to SRS
child support enforcementRepresentative Wagon, sponsor of the bill, explained the bill which is a technical measure to ensure vigorous enforcement of the setoff policy without working undue administrative hardship on the administrators of the lottery. See attachment A.Larry Montgomery, Executive Director of the Kansas Lottery, explained the differences between the current legislation and the proposed legislation in HB2834. Mr. Montgomery expressed three recommendations: the amount should be raised to \$500; no upper limitation for notification or, preferably, no change, since set-off is presently occurring for all lottery paid prizes in excess of \$50.00 See attachment B.

Representative Rolfs asked if this bill had anything at all to do with the set-off system.

Mary Torrance explained that if it doesn't go through accounts and reports it is not subject to set off. Section C should be stricken entirely. Under the proposed legislation you are setting up a prize payment fund outside the commission.

The Set-off procedure was explained.

Jim Robertson, Administrator of Child Services, SRS, expressed his support of the bill. He explained the certification process they must go through with the Department of Administration to get the set-off. He said that he hoped that the lottery could provide SRS with a listing of all monies paid by the retailers.

When asked if a separate fund is set up, it will be subject to set-off, Mr. Robertson said he didn't think it could apply unless additional legislation is passed.

Jon Brax, Kansans for Lift at its Best, expressed support for the bill.

Hearings on HB2834 were concluded.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON FEDERAL & STATE AFFAIRS,
room 526S, Statehouse, at 1:30 a.m./p.m. on February 22, 1988, 19

HB2826 - Kansas Civil Service Act, preferences for Kansas High School
and college graduates

Representative Gatlin, co-sponsor of the bill, was unable to attend the meeting and will be given the opportunity to speak at a later date.

Art Griggs, General Counsel for the Department of Administration, expressed some concerns about how the bill will effect the manner in wich Civil Service registers are handled. Mr. Griggs explained how the Civil Service register works. He had concern that additional points (on top of the veterans preference points) could cause problems.

Hearings will be continued at a later date.

Representative Aylward made a motion, seconded by Representative Walker, to introduce a proposal dealing with the lottery. The motion carried.

HB2219 - Rabies vaccine

Representative Bryant explained a substitute for HB2219.

Representative Bryant made a motion, seconded by Representative Barr, to amend the substitute bill as suggested by the Livestock Association by deleting references to distributors. The motion carried.

Representative Bryant made a motion, seconded by Representative Barr, to report substitute for HB2219 as amended favorable for passage. The motion carried.

The meeting was adjourned.

JOAN WAGNON
 REPRESENTATIVE, FIFTY-FIFTH DISTRICT
 1606 BOSWELL
 TOPEKA, KANSAS 66604



TOPEKA

HOUSE OF
 REPRESENTATIVES

COMMITTEE ASSIGNMENTS
 MEMBER: TAXATION
 JUDICIARY
 AGENDA CHAIR: DEMOCRAT CAUCUS

Testimony re HB 2834 Lottery winnings for child support payments

Under K.S. A. 39-756 a person who doesn't receive public assistance may assign support rights to S.R.S. and thereby be entitled to a setoff under K.S.A. 1987 Supp. 75-6202 against any state payment owed by the state to the person required to pay the support. However, only winnings over \$5,000 are subject to the setoff procedure because smaller prizes do not go through the division of accounts and reports under K.S.A. 1987 Supp. 75-3732.

In any case, lottery winnings may be garnished while held by the state or a financial institution; the problem is knowing that they have been awarded.

Currently, according to Mr. Grogan in the Lottery office, all winners above \$5000 (which means \$5,001.00 or more). They check for civil judgements, educational loans and child support debts. However, below \$5001.00 they do not check.

Game I had a potential of 145 winners for \$5,000. (Only 127 have actually claimed the prize.) These would not currently be subject to the setoff, but would if HB 2834 was enacted.

There were 1277 winners of \$500 prizes (of a potential 1450) in this same game. These \$500 winners have to file a claim with the Lottery office which includes name and social security number. Of these winners, it is statistically probable that 37.5 will owe back child support. Under this bill, the Lottery office would be required to send the Child Support Enforcement office a list of winners, hopefully before the Lottery checks are received so that garnishment proceedings can be initiated.

The policy of utilizing every available method to enforce delinquent child support was established several years ago in Kansas. This bill is a technical measure to ensure vigorous enforcement of that policy without working undue administrative hardship on the administrators of the Lottery.

I would appreciate your support.

Proposed Legislation (H.B. 2834)

- o Limits "notification" at maximum level of \$5,000
- o Requests name/I.D. tax number of \$500 and less than 5,000 winners

Current Legislation

- o No ceiling on "set-offs"
- o We provide names/tax number on amount of \$50 or more -- Set-off procedure currently in place through Accounts & Reports.

LOTTO AMERICA

Retailers

- o \$599 is the maximum amount retailers must pay to winners
 - o No claim forms
 - o No Social Security Number

Kansas Lottery

- o We provide names/tax number on amount of \$50 or more -- Set-off procedure currently in place through Accounts & Reports.

Recommendation:

- o Amount should be raised to \$600 in H.B. 2834.
- o No upper limitation for notification.

Or, preferably,

- o No change, since set-off is presently occurring for all Lottery paid prizes in excess of \$50.00.