

Approved 2/24/89  
Date

MINUTES OF THE Senate COMMITTEE ON Federal & State Affairs

The meeting was called to order by Senator Edward F. Reilly at  
Chairperson

11:09 a.m./~~p.m.~~ on February 21, 1989 in room 254-E of the Capitol.

All members were present except:

Senators Yost and Daniels who were excused.

Committee staff present:

Mary Galligan, Legislative Research Department  
Mary Ann Torrence, Revisor of Statutes Office  
Marty Robison, Secretary

Conferees appearing before the committee:

Susan Seltsam, State Treasurer's Office  
Senator Jack Steineger  
Willie Martin, Sedgwick County  
Alfred Schroeder, Chairman, Kansas Racing Commission  
Jim Yonally, TRAK East

Chairman Reilly called the meeting to order.

Senator Morris moved the minutes for February 15 and 16 be approved. Senator Strick seconded and the motion carried.

Susan Seltsam appeared to request the committee introduce a bill amending the Unclaimed Property Act. The amendment addresses the reporting requirements and makes the Kansas law more uniform with other states (Attachment 1).

Senator Bond moved the committee introduce this request. Senator McClure seconded and the motion carried.

A hearing was held on SB 200 which deals with the use of parimutuel proceeds by local governments.

Senator Steineger appeared as a proponent before the committee and told members that this bill would have the option to distribute some or all of the net earnings to a city or county. He said that this will help offset additional tax burdens for the local taxpayers who incur additional costs for these new facilities (Attachment 2).

Willie Martin said that Sedgwick County would have no opposition to this option even though they would probably not utilize the option.

Alfred Schroeder appeared in opposition to the bill and said that the program is still very fragile. He based his statement on three concerns: 1) pending lawsuits for licensing, 2) no foreseen profits, and 3) financing contracts using this as an event of default. The Constitutional change voted on by the people stated that the profits would go to benevolent and charitable institutions and that SB 200 would go against this. Another concern expressed was that it would open doors for future amendments for others wanting to get a portion of the profits, with direct or indirect pressure being given to get funds diverted their way.

Jim Yonally said he has concerns for the ramifications of the bill. He stated that the bill has been rejected twice and that it is a poor time to remove requirements that were fought for originally. Since there are no funds to distribute yet, he felt there was no need to act on this measure.

CONTINUATION SHEET

MINUTES OF THE Senate COMMITTEE ON Federal & State Affairs,  
room 254-E Statehouse, at 11:09 a.m./~~pm~~ on February 21, 1989.

A discussion on SB 45 was held. Copies of Ron Hein's letter which answered concerns of members at an earlier discussion were read and distributed (Attachment 3).

Staff told members that the requested amendment from the Real Estate Commission was to strike "who" on line 469 and insert "and" after the word "claim" on line 470. Senator Bond moved the amended changes be made. Senator Anderson seconded and the motion passed.

Senator Ehrlich moved SB 45 be passed as amended. Senator Bond seconded and the motion carried.

The meeting was adjourned at 11:55.



ALL INTRODUCTION REQUEST BY SUSAN SELTSAM, OFFICE OF STATE TREASURER,  
BEFORE THE SENATE FEDERAL & STATE AFFAIRS COMMITTEE, FEBRUARY 21, 1989

We appear today to request this Committee to introduce a bill amending the Unclaimed Property Act. The amendments we seek, as well as amendments the Attorney General's Office wishes to have incorporated into the law are included in the draft we have handed out.

The amendments the Treasurer's Office is requesting addresses the reporting requirements and makes the Kansas law more uniform with other states. We want to shorten the holding period of abandoned property from 7 years to 5 years and increase the dollar amount that requires detailed reporting from \$3.00 to \$25.00.

One additional change would limit finders' fees to 15% of the value of recoverable property.

The Attorney General's amendment provides that abandoned property held by the federal government shall be presumed abandoned in Kansas if the last known address of the owner is in this state.

SF & SA  
2-21-89  
Attachment 1

STATE OF KANSAS

JACK STEINEGER  
SENATOR, SIXTH DISTRICT  
STATE CAPITOL BLDG., ROOM 136-NORTH  
TOPEKA, KANSAS 66612  
(913) 296-7375



COMMITTEE ASSIGNMENTS  
MEMBER: ECONOMIC DEVELOPMENT  
EDUCATION  
INTERSTATE COOPERATION  
LEGISLATIVE AND CONGRESSIONAL  
APPORTIONMENT  
LOCAL GOVERNMENT

CHAIRMAN, WYANDOTTE COUNTY LEGISLATIVE  
DELEGATION

TOPEKA

SENATE CHAMBER

EXPLANATION OF SB 200  
by Steineger, Strick & Kanan

SB 200 will permit an Organizational Licensee to also have the option to distribute, some or all of net earnings to a city or county to be used for lawful governmental purposes. This could greatly benefit property taxpayers in those jurisdictions.

Those cities and counties in which racing licenses have been granted necessarily incur additional costs for police, fire, streets, etc. by virtue of the new facility.

Larger cities and counties have been greatly affected by the loss of inventory taxes and the new accelerated depreciation for machinery, which are subtractions from the local tax base. Coupled with the other adverse effects of reappraisal we expect some dramatic impacts in the larger counties.

This amendment will help offset additional tax burdens on the local taxpayer.

SFOSA  
2-21-89

Attachment 2

Ronald R. Hein  
William F. Ebert

HEIN AND EBERT, CHTD.  
ATTORNEYS AT LAW  
5845 S.W. 29th, Topeka, Kansas 66614  
913/273-1441

February 15, 1989

Sen. Edward R. Reilly, Jr.  
State Capitol  
Room 255-E  
Topeka, KS 66612

RE: Kansas Auctioneers Association  
Senate Bill No. 45  
Our File No. 2801.06

Dear Ed:

You will recall that I appeared with regards to SB 45, relating to changes in the real estate licensure law. I had been requested to find out from the Kansas Auctioneers Association about the language on page two of the bill that requires a licensed real estate agent to assist at an auction. I have reviewed that language again with the governing board of the Kansas Auctioneers Association, and have been advised that they do desire to see the language in that manner.

The reasons are essentially the same as were set out by Mr. Yonkers and myself at the hearing. It is extremely important for the people conducting the sale to be knowledgeable about real estate when it is being sold. This is the whole purpose behind the real estate licensure law itself. With regards to the "spotter" or "ringman", which I am advised is essentially the same thing, the problems can be great when they do not have any real estate training.

As Mr. Yonkers indicated, the spotter or ringman is attempting to encourage a higher price, and can be talking even privately to bidders in the audience. However, in addition to affirmative comments by the ringman or spotter, people in the crowd can, and will, contact the spotter or ringman to ask questions. If that individual is not a licensed real estate agent, it puts him in the untenable situation of either telling them that he cannot talk to them about the sale, or attempting to answer their questions with the best knowledge that he has. If it is not correct information, then the auctioneer exposes himself to liability. This is essentially the reason why, even under existing law, most auctioneers will pull their ringmen and spotters from the crowd when they are going to conduct the sale

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Attachment 3

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of real estate. To some extent, it is for their own protection, in terms of liability, and so that there will not be a dispute as to what the ringman or spotter said. In addition, it is for the protection of the purchaser so that there will be reduced likelihood of any misinformation regarding the sale, the property, or any of the other relevant matters influencing the purchaser in some wrongful manner.

I fully understand the concerns raised at the committee to the effect that all that the spotter does is look for raised hands, but as you can see from the above comments, there is an active interchange of communication if the spotter or the ringman are in the arena at all, and the auctioneers have simply found it more advantageous to simply remove an unlicensed individual from the ring so as to minimize problems.

Once again, they have absolutely no objection to the new language and, in fact, are aware that the Attorney General has ruled that this is existing law anyway, and, in fact, have been complying with the spirit of the changes anyway.

Thank you for permitting us to provide this follow up information, and if you have any additional questions, please do not hesitate to contact me.

Sincerely,

HEIN AND EBERT, CHTD.



Ronald R. Hein

RRH/lp  
cc: Senate Federal and State Affairs  
KAA Legislative Committee