

Approved 4-5-91  
Date

MINUTES OF THE Senate COMMITTEE ON Federal and State Affairs

The meeting was called to order by Sen. Edward F. Reilly, Jr. at  
Chairperson

9:45 a.m./~~p.m.~~ on March 29, 1991 in room 254-E of the Capitol.

All members were present ~~except~~:

Committee staff present:

Mary Galligan, Legislative Research Department  
Mary Torrence, Office of Revisor of Statutes  
Deanna Willard, Committee Secretary

Conferees appearing before the committee:

Chuck Simmons, Department of Corrections  
Carl Anderson, Assistant Attorney General, Kansas Lottery  
Jim Parrish, Securities Commissioner  
Larry Cook, Securities Commission, Director of Enforcement

Hearing on: SB 409 - Authorizing Secretary of Corrections to enter into oil and gas leases.

Chuck Simmons, Department of Corrections, presented testimony saying SB 409 would authorize the Secretary of Corrections to lease land under control of the secretary for purposes of oil, gas, or other mineral production. Revenue for the state could result from such arrangements. (Attachment 1)

He said the DOC now has farm leases, which provide for lessor to provide insurance coverage. The risk, of course, would be greater here; that will be shifted to the developer, Ln. 31. This provision is identical to other statutes.

Concern was expressed that 30 years of production are possible, and if so, the state would want to continue. Some felt no producer would drill a well with a five year lease. Sen. Moran had asked for "not more than five years," so that land couldn't be tied up for ten years with no exploration.

The Chairman appointed a subcommittee: Sen. McClure, Chairman; Sen. Walker, and Sen. Yost.

Hearing on: SB 385 - Kansas lottery: Retailers, nonmonetary prizes, multistate lotteries.

Carl Anderson, Kansas Lottery, covered each of the proposed amendments as detailed on Attachment 3 of the March 25 meeting. Further information:

1. There are events at which no retailer is interested in conducting ticket sales. Any time a retailer is interested, the Lottery would defer to them.

He was asked about the vans purchased for the lottery; one has been sold, the other is on the block. He will explore whether or not it can be taken off. The vans had been made available to retailers.

The 5% would come to the Lottery if no retailer were involved. Administrative costs are now 16 - 18%, counting the 5% retailer commission. There are no plans to hire additional help to sell tickets.

2. All leases expire each December 31. With the new provision,

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES OF THE Senate COMMITTEE ON Federal and State Affairs,

room 254-E, Statehouse, at 9:45 a.m./~~p.m.~~ on March 29, 1991

retailers would still be monitored; a retailer could terminate any time.

3. Multi-State Lottery Association has grown to 16 states; we would not be a part of Lotto America without this provision to incorporate. Upon incorporating, MUSL would become a non-profit corporation and legal liability would be diminished.

4. Printing error, Section 4 (d), Ln. 29, needs to read, "on line" lottery tickets.

Hearing on: SB 388 - General law enforcement powers of securities act investigators.

Jim Parrish, Securities Commissioner, said the bill is a technical cleanup to correct an oversight. We have law enforcement officers who do not have the ability to enforce laws they see being broken.

Larry Cook, Director of Enforcement, gave an example of warrants being served on several people in a broad scheme. They ran the NCIC on an individual accompanying the suspect but had to have the Wichita Police come to arrest him. Also, when they discover fraud violations, they have to refer to another agency where they must start the investigation from scratch.

The officers must have five years experience in law enforcement and attend the Law Enforcement Academy in Hutchinson.

The meeting was adjourned at 11:00 a.m.

STATE OF KANSAS



DEPARTMENT OF CORRECTIONS

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Joan Finney  
Governor

Steven J. Davies, Ph.D.  
Secretary

To: Senate Committee on Federal & State Affairs  
From: Steven J. Davies, Ph.D. *Steven Davies*  
Secretary of Corrections  
Subject: Senate Bill No. 409  
Date: March 28, 1991

Senate Bill No. 409 would authorize the Secretary of Corrections to lease land under control of the secretary for purposes of oil, gas, or other mineral production. The Department of Corrections supports this legislation and recommends approval of Senate Bill No. 409.

The Board of Regents, pursuant to K.S.A. 76-164, has been authorized to enter into leases for this purpose. The Department of Wildlife and Parks, pursuant to K.S.A. 1990 Supp. 32-850, also has such authority. The terms of Senate Bill No. 409 closely follows those applicable to the Department of Wildlife and Parks.

Having the authority to enter into lease arrangements for oil, gas or mineral production gives the secretary of corrections another option in determining the best utilization of land placed under the secretary's control. The potential for some additional revenue for the state could result from such lease arrangements.

SJD:CES/pa

Senate F&SA  
3-29-91  
Att. 1