

Approved June 26, 1992

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS.

The meeting was called to order by Sen. Edward F. Reilly, Jr. at 11:15 a.m. on April 7, 1992 in Room 254-E of the Capitol.

All members were present except:
Sens. Ehrlich and Webb were excused

Committee staff present:
Mary Torrence, Office of Revisor of Statutes
Jeanne Eudaley, Committee Secretary

Conferees appearing before the committee:
Tuck Duncan, Kansas Wine and Spirits Wholesalers Assoc.
Ralph Decker, Executive Director, Kansas Lottery
Dana Nelson, Executive Director, Kansas Racing Commission

Others attending: See attached list

Sen. Reilly called attention to HB 2719, which was amended and passed out of committee favorably on April 2, and has now been rereferred to the committee for additional action. He stated that in discussion on the Senate floor, primary opposition was to the amendment which allowed retail liquor stores to remain open on Election Day. The Chairman asked Tuck Duncan to explain House action on SB 567 (another liquor bill passed out of this committee), which passed out of the House with additional amendments - one being the Keg registration provision.

Sen. Ward made a motion to strike the amendment to HB 2719 which would allow retail liquor stores to remain open on Election Day and pass the bill out of committee favorably. The motion was seconded by Sen. Morris. Sen. Daniels questioned why some retail liquor stores are open today (Primary Election Day) in some areas of the state. Sen. Reilly asked Mr. Duncan to explain the laws governing Election Day for retail liquor stores. The motion passed. (Committee Report - Attachment 1)

Sen. Reilly called the committees' attention to SB 772, the riverboat casino gambling bill and distributed information provided by Carol McDowell (Attachment 2). It was pointed out that the committee has discussed the bill on several occasions. Sen. Strick made a motion that SB 772 be passed out of committee favorably, and the motion was seconded by Sen. Ward. The Chairman reminded the committee the bill has been drafted by the Lottery office and that it would be the regulatory agency if this bill were passed. Opposition was voiced to casino gambling being allowed, and Sen. Morris stated he would rather put video lottery in the bill instead of casino gambling. Sen. Reilly emphasized the state needs to get an edge over the State of Missouri before it initiates riverboat gambling.

Sen. Bond made a motion to table SB 772 until such time as there is action on video lottery, and it was seconded by Sen. Morris. Sen. Bond stated that SB 772 would automatically be brought to the committee for action, and not be under the two-thirds rule, for action. The motion passed.

Sen. Reilly called attention again to SB 695, which is now on the

Senate floor, and requested that Ralph Decker and Dana Nelson answer questions from the committee. Mr. Decker explained some of the confusing language and answered questions, particularly from Sen. Ward regarding legal vs. illegal machines. Mr. Nelson explained the provision which establishes the Racing Impact Fund and New Sections 19 and 20. There was confusion as to amendments voted on in committee before favorably passing the bill, and Sen. Walker stated that he thought the committee had been misled about the amendments it was voting on. He wanted to know how the language got into the bill and remarked that the committee had never discussed it before passing it onto the Senate floor. Mr. Nelson explained that originally Sen. Feleciano had requested the agency language in the bill, and Sen. Reilly emphasized the language was part of the conceptual motion made by Sen. Bond. Sen. Ward questioned the 7.5% and remarked that the state should not be in the business of subsidizing parimutuel racing. Mr. Nelson replied that the need for the Racing Impact Fund has come about because of the anticipated negative impact video lottery would have on racing. Sen. Morris remarked he has supported video lottery in the past; that he did not believe the committee had discussed changing the percentages; and that he could not support this bill in its present form.

The Chairman stated the committee has two options, since the bill is on the Senate floor: 1. Committee could recommend floor amendments; 2. Request the bill be rereferred to the committee. Sen. Ward remarked he thought there was not enough time to reconsider in the committee, and Sen. Bond stated the committee should recommend amendments to cover the issues discussed today, especially the issue of changing the dollars to go to the General Fund.

Sen. Ward made a conceptual motion that the committee make a floor amendment to delete New Section 20 and remove appropriate language elsewhere in the bill regarding that section, and it was seconded by Sen. Walker. The motion passed. The Chairman requested that committee members work with Mary Torrence to work out the amendment. He asked for volunteers to carry the bill on the Senate floor, but no one replied.

Sen. Morris made a motion to approve Committee Minutes for March 4, 5, and 6 and it was seconded by Sen. Ward. The motion passed, and the Minutes were approved.

Meeting adjourned at 12:10.

GUEST LIST

COMMITTEE: Senate Federal & State Affairs

DATE: April 7, 1992

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
Alicia Janasko	8009 Rowland	Page
Sean Isabell	1818 N. 80 th ST, KCKE6112	CITY Manager's assist.
Dorothy L Sutton	Topeka	Kansas Lottery
Carl Anderson	Topeka	Kansas Lottery
Chris Steineger	KC. KS.	KC. KS.
Carl McDoull	Topeka	Kansas City
Ralph Decker	Topeka	Kansas Lottery
JOHN C. BOTTENBERG	Topeka	Bottenberg & Assoc.
DICK CARTER	TOPEKA	Pete McGill & Assoc.
John J. Potter	"	K.C. STAR
J. D. Pinegar	Topeka	Pinegar - Soule
Gayle Miller	Topeka	Post Home
LYNETTE DUNCAN	Topeka	KW SWA
Robert Trautman	"	Ks Govt Consulting
Jim Bass	Topeka	Sunflower
Danny Burgess	Topeka	Sunflower
Rick Lunsell	" "	Governor's off.
JACK STEVENS	WICHITA	KAMA
Nick Rosen	Topeka	IGT
STAN CHILTON	WICHITA	KAMA
George Barber	Topeka	IGT
Nick Dunton	"	IGT
R. Lipsy	Top	AP

REPORTS OF STANDING COMMITTEES

MR. PRESIDENT:

Your Committee on Federal and State Affairs

Recommends that House Bill No. 2719
(As Amended by Senate Committee)

"AN ACT concerning alcoholic liquor; amending K.S.A. 41-712 and
K.S.A. 1991 Supp. 41-308a, 41-308b and 41-310 and repealing
the existing sections."

Be amended:

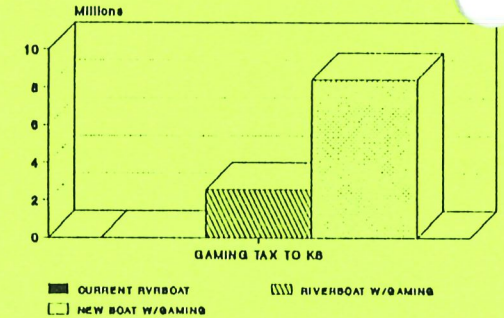
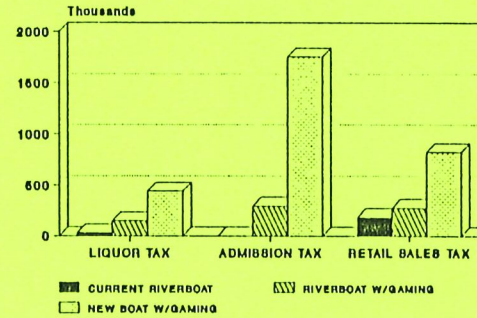
On page 6, by striking all of lines 22 through 34; by
renumbering the remaining sections accordingly; in line 35, by
striking "K.S.A. 41-712 and";

In the title, in line 13, by striking "K.S.A. 41-712 and";

And the bill be passed as amended.

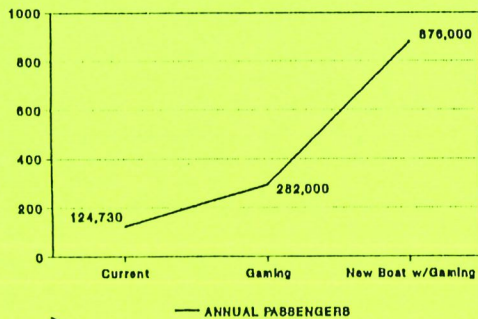
_____ Chairperson

WHAT RIVERBOAT GAMING MEANS TO THE KANSAS ECONOMY

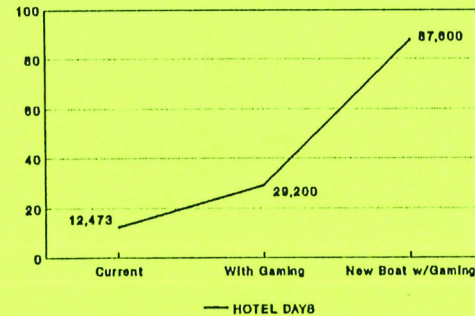


Total State and Local Annual Revenues \$11,421,250

TOURISM

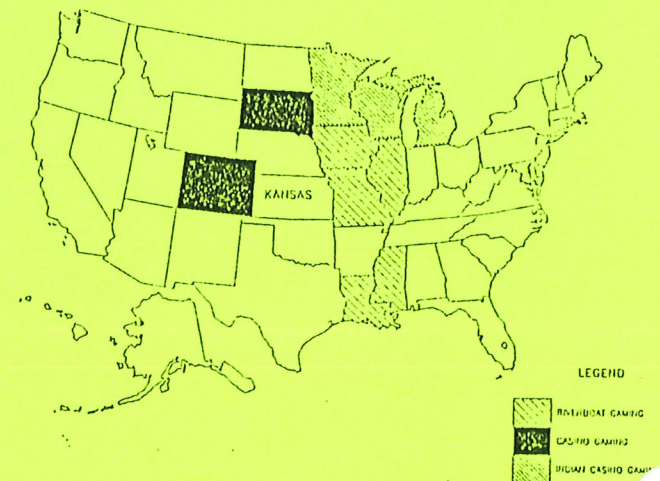


TOURISM



NEIGHBORING STATES ALLOWING CASINO OR RIVERBOAT GAMING

FEBRUARY 1992



Making Kansas a "Point of Destination"

ATT. 2

ATTACH. 2