

Approved: May 1, 1996
Date

MINUTES OF THE HOUSE COMMITTEE ON FEDERAL AND STATE AFFAIRS.

The meeting was called to order by Chairperson Garry Boston at 11:35 a.m. on April 29, 1996 in Room 313-S of the Capitol. (Second Session)

All members were present except:

Committee staff present: Mary Galligan, Legislative Research Department
Mary Ann Torrence, Revisor of Statutes
June Evans, Committee Secretary

Conferees appearing before the committee: Senator Ben Vidricksen
Steven Montgomery, Kansas Greyhound Kennel Owners' Association

Others attending: See attached list

Sub. SB 754 - Act Concerning Lotteries, providing for operation of certain state-owned and operated lottery games at certain racetrack facilities.

The Chairperson called the meeting to order and stated, with the lateness in the Session and the fact that **Sub SB 754** does have a lot of discussion and several amendments expected a decision has been made to vote the bill either up or down directly to the Floor or Table without any further discussion.

Representative Franklin stated he objected.

Representative Lloyd stated that Representative Mason was currently in a Conference Committee trying to decide on the 35 mill levy and Representative Vickery was absent. The bill was not even available until this morning and don't feel comfortable sending it to the Floor without further discussion.

Representative Samuelson stated she had a question she wanted to ask in the description of the bill and felt it would be wrong to not finish discussion.

The Chairperson stated the Committee would stand down for ten minutes and try to contact the missing members of the Committee and take under further advisement as to whether continue the hearing or whether to go ahead and vote it up or down. The meeting will continue again at 11:50 a.m.

The Chairperson stated there would be a test vote to Table **Sub SB 754**. The test vote would determine if the bill should be Tabled or if it fails the hearing would be continued. If the vote to Table carries, would ask that the motion be made to Table.

The Chairperson asked for a show of hands to Table **Sub SB 754. Yeas - 10 - Nays - 11. The motion failed.**

Representative Graeber asked if it were the intention to pass the bill out without amendments to the House?

Chairperson Boston stated, no, we would proceed to work the bill.

Staff continued with the briefing. In regard to the current keno games, that game as well as the Pick 3 game that is currently conducted by the Lottery are both banking games. The way the bill is right now, there is no mention of whether any of the racetrack lottery games would be banking or non-banking. The Lottery would establish, as they have with Pick 3 and Club Keno in the Rules and Regs that define the game. The tickets are pre-printed and anything that is on them was printed on them before they were placed in the machine.

Representative Jones stated he would like to have a demonstration of the machines.

Representative Nichols requested that all conferees state whether or not they are lawyers.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE FEDERAL AND STATE AFFAIRS, Room 313-S
Statehouse, at 11:35 a.m. on April 29 (Second Session), 1996.

Senator Ben Vidricksen testified in favor of Sub SB 754, stating he represents the area that has more greyhounds than anyplace in the United States. Abilene is the greyhound capitol of the world and also has the Hall of Fame. It is a concern to the kennel owners of that area that there is the possibility that would be lost. There are many related jobs that would be lost. In that past financing laws has been changed to help other areas of business. This is a legal piece of equipment, according to the Attorney General's Opinion, to actually dispense a legal form of bingo pull tabs. Can't understand where the opposition is coming from other than those opposed to gambling. The best solution possible would be to let the people vote on this particular issue like with parimutuel, bingo and liquor by the drink. This may or may not save jobs, but believe it will. Even when these machines are placed in casinos people do play them. This may or may not save the tracks. Believe this is no different from walking into a Dillons Store and getting a ticket. It is a dispenser and ruled a dispenser by the Attorney General. This is already legal. There would be Rules and Regs that would govern. We are trying to help out an industry that is very viable to the state of Kansas.

Steven Montgomery, Kansas Greyhound Kennel Owners' Association (KGKOA) testified in support of Sub SB 754, stating this bill authorizes the Kansas Lottery to conduct at parimutuel tracks the same types of games already authorized within the state. The bill would permit these games to be played at racetracks with payouts to winners consistent with comparable facilities. The breed associations support the bill as it provides for supplements for purses and Kansas-bred programs to stimulate the breeding, raising and training of animals on farms within the state. (See Attachment #1).

Representative Spangler stated SB 754 passed out of the Senate 26-14.

Representative Graeber moved and Representative Standifer seconded to move Sub SB 754 out of Committee to the House Floor for consideration without recommendation.

Representative Nichols moved and Representative Ballou seconded to report Sub SB 754 adversely.

Representative Lloyd stated he didn't like to pass out to full house without amendments. This is addictive, do not need a video machine that makes noise as that is what makes it addictive. Am not convinced that it is a ticket dispenser.

Representative Franklin stated he was frustrated to amend these bills. Last year the Committee did not get to amend and did not get to listen to opponents and there was a motion to pass out favorable and now a motion to pass out adversely. The job of the committee is to correct legislation and that was not done last year and not doing this year and this is bad policy.

Representative Aurand stated he could support some parts of the bill but not other parts and would like to work the bill.

Representative Pugh asked what would it mean if the bill were passed out unfavorable?

The Chairperson stated that would kill the bill. A motion can be made at any time.

The Chairperson stated he had no problem with continuing the meetings at a third meeting today on adjournment.

The Chairperson asked for a vote on the motion to move Sub SB 754 out of committee adversely. A division was called: Yeas - 10 and Nays 11. The motion failed.

The meeting adjourned at 1:45.

The next meeting is scheduled on next adjournment for April 29, 1996.

FEDERAL & STATE AFFAIRS COMMITTEE

DATE: 4/29/96 11:35 AM 3rd Session

NAME	REPRESENTING
Greg Zimsek	Kansas Lottery
Karl Peterson	Sunflower
Lance Burr	Kickapoo Nation
Shirna Wamsue	PBPGC
Dave Schneider	Kansas For Life At Its Best
Glenn O. Thompson	Stand Up For KANSAS
STAN CHILTON	CHILTON VENDING & BILLIARDS
Druce Rimbo	Woodlands
Whitney Danner	City of KC, KS
TOM BRUNO	Allen & Assoc
Jim Edwards	KCCF
Jim DeHoff	KS AFL-CIO
Jacquetta Drow	Kansas For Jobs
Stacy Allen	Kansans For Jobs
Daisy Armstrong	Kansans For Jobs
Lester Lawson	Battery Retailer
Jason Brigg	Kansas For Jobs
Steve Simon	Kansans For Jobs
Judy Laska	Kansans For Jobs
Rose & Bateson	Kansans for Jobs.
Brad Leiker	Kansans for Jobs
Len Turo	Kansans for Jobs
William J. Dilley	Kansans for Jobs
Louis Toppel	Kansans for Jobs.
Steve Collier	Kansans For Jobs
L. Mangini	K. C. KS
Jill Walton	The Woodlands
Johnny Beck	Kansans for jobs
Alfred Ham	Sunflower

FEDERAL & STATE AFFAIRS COMMITTEE GUEST LIST

DATE: 4/29/96 2nd Session

NAME	REPRESENTING
Julia Lewis	Potawatomie
Dolly Richard	Prairie Band Potawatomie
William V. Jim	Prairie Band
Helen Stout	Ks. Greyhound Assoc.
Denise Bissett	KANSAS FOR JOBS
Jim Allen	CAMP TOWN
DAVID ABEYTA	POTAWATOMIE NATION

ALDERSON, ALDERSON & MONTGOMERY, L.L.C.

ATTORNEYS AT LAW

W. ROBERT ALDERSON, JR.
ALAN F. ALDERSON
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JOSEPH M. WEILER
DARIN M. CONKLIN
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*LICENSED TO PRACTICE IN
KANSAS AND MISSOURI

TO: House Committee for Federal and State Affairs
FROM: Steve Montgomery, Kansas Greyhound Kennel Owners'
Association (KGKOA)
DATE: April 27, 1996
RE: Testimony in Support of Substitute for SB 754

I am appearing on behalf of the KGKOA, with a membership consisting of licensed greyhound kennels at the Kansas parimutuel racetracks. If a greyhound races on a track in Kansas, it must be run through a licensed kennel. I am also appearing on behalf of Kansans for Parimutuel Racing, the umbrella association representing the KGKOA, the Kansas Thoroughbred Association (KTA) and the Kansas Quarter Horse Racing Association (KQHRA).

No Expansion of Gaming

Substitute for SB 754 was requested in response to the realization that there is not sufficient support in the current legislature to expand gaming. Substitute for SB 754 authorizes the Kansas Lottery to conduct at parimutuel tracks the same types of games already authorized within the state.

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4-29-96
2nd session
Atch #1

Through the polls, Kansas voters have approved all of these games. The bill would also permit these games to be played at racetracks with payouts to winners consistent with comparable facilities. The breed associations support the Substitute for SB 754 as it provides for supplements for purses and Kansas-bred programs to stimulate the breeding, raising and training of animals on farms within the state.

This proposal is a unique approach which is untried and untested. It is unknown whether traditional parimutuel patrons will respond to these types of games in numbers sufficient to truly compete with Missouri riverboats and tribal casinos. The passage of the Substitute for SB 754 will provide our industry the opportunity to use its ingenuity in cooperation with the Kansas Lottery to promote an industry that will virtually vanish from our state if no legislative action is taken during this session.

There is no financial risk to the state or the Lottery to embark upon this test program. All financial responsibility for the necessary hardware and software will be borne by the racetracks. If this proposal fails, it will be the racetracks and the racing animal industry which bear the consequences.

No Adverse Impact to Lottery Retailers

The bill will not provide adverse competition to current Lottery retail outlets as traditional Lottery retailers and racetracks compete for different customers. The Kansas Lottery has never operated at Kansas racetracks. The traditional players of bingo, scratch-off games and on-line KENO games will continue to play these games at their normal locations without regard to whether these games are offered at racetracks. Consequently, there should be virtually no impact on traditional Lottery retailers as a result of the Lottery's participation at Kansas racetracks.

Summary

Substitute for SB 754 is an opportunity for legislators to assist the Kansas parimutuel industry without expanding gaming in Kansas. We would urge you to support the Substitute for SB 754 and the thousands of Kansas agri-business men and women who participate in the racing animal segment of the Kansas livestock industry.