

Approved: 4-26-96
Date

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS.

The meeting was called to order by Senator Lana Oleen at 11:00 a.m. on February 22, 1996 in Room 254-E of the Capitol.

Members present were: Senator Oleen, Chair
Senator Tillotson, Vice Chair
Senator Jones, Ranking Minority Member
Senator Gooch
Senator Hensley
Senator Jordan
Senator Papay
Senator Praeger
Senator Ramirez
Senator Vidricksen
Senator Walker

Members not present:

Committee staff present: Mary Galligan, Legislative Research
Mary Torrence, Revisor
Nancy Wolff, Committee Secretary

Conferees appearing before the committee:
Chuck Stones, Kansas Bankers Association
Natalie Haag, Executive Director, State Gaming Agency

Others attending meeting: See attached list

A hearing on SB703--relating to the delivery of certain contents of a safe deposit box on the event of the death of a lessee. Senator Gooch related an incident wherein a relative was not allowed to remove a bond from a safe deposit box on the death of her grandfather. The bond was intended to be utilized for his burial and it was necessary that the funeral be delayed for a considerable period of time until the will could be put into probate and she was able to gain admission to the safe deposit box to pay for his funeral. Chuck Stone, appearing on behalf of the Kansas Bankers Association stated that his association would have no objection to such legislation but that there was a concern as to what would constitute "proper identification and proof" (Attachment 1). There would be no fiscal impact on state operations (Attachment 2). There being no other conferees, the hearing was closed.

Mary Torrence then commenced the staff briefing on SB410 which would implement statutory changes to facilitate the implementation of tribal-state gaming compacts (Attachment 3). She reviewed the bill on a section by section basis as set out in the attachment as to how the changes to the current makeup of the Racing Commission and the State Gaming Agency would be combined to form the Kansas Racing and Gaming commission..

Senator Jones questioned how the state would be reimbursed for the training of the tribal police force for the law enforcement duties in conjunction with the casinos. Natalie Haag responded that the Tribal Compacts provide for the reimbursement.

Senator Praeger asked if there would be an Executive Director over both commissions or would they each have their own Executive Director. Natalie Haag responded that there would be two separate executive directors that would report to the commission.

Senator Gooch questioned if this change would expand the commissions, to which Ms. Haag responded that the commissions would remain the same.

Following the briefing, the committee returned to SB703. Senator Vidricksen made a motion to amend the bill to conceptually define what would constitute sufficient identification and Senator Gooch seconded the motion. The motion carried.

Senator Gooch made a motion to report SB703 favorable for passage as amended and Senator Jones seconded the motion. The motion carried.

There being no other business, the meeting was adjourned at 12:00 noon.

FEDERAL & STATE AFFAIRS COMMITTEE
GUEST LIST

DATE: 2-22-96

NAME	REPRESENTING
Danielle Nee	KS Credit Union Assoc
Beth Denshe	State Gaming Agency
Natalie Haagy	State Gaming Agency
Alan Steppat	PETE MCGILL & ASSOC.
WIC B. SCHLOSSER	Pete McGill & Assoc
Myron E. Leaf	Racing Commission
Jerry Hamblin	Racing Commission

MAR 04 1996



DIVISION OF THE BUDGET
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Bill Graves
Governor

Gloria M. Timmer
Director

February 27, 1996

The Honorable Lana Oleen, Chairperson
Senate Committee on Federal and State Affairs
Statehouse, Room 136-N
Topeka, Kansas 66612

Dear Senator Oleen:

SUBJECT: Fiscal Note for SB 703 by Senate Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning SB 703 is respectfully submitted to your committee.

SB 703 would change existing law relating to the delivery of contents from a safe deposit box upon the death of a lessee to allow a lessor of a safe deposit box to deliver life insurance policies, certificates of deposit, or a deed to a cemetery plot to the beneficiaries without a court order. The existing law does not allow lessors to release certificates of deposit without a court order.

This bill would have no fiscal impact on state operations.

Sincerely,

Gloria M. Timmer
Gloria M. Timmer
Director of the Budget

cc: Judi Stork, Banking

*Attachment 1
Federal and State Affairs
3/22/96*

Kansas Bankers Association

800 SW Jackson, Suite 1500

Topeka, KS 66612

913-232-3444 Fax - 913-232-3484 E-Mail - kba@ink.org

2-22-96

TO: Senate Federal and State Affairs Committee

FROM: Chuck Stones

RE: SB 703

Madam Chair and Members of the Committee,

Thank you for the opportunity to appear on SB 703. The Kansas Bankers Association has no objection to the provisions of SB 703. We do, however, want to make sure that the lessee/lessor relationship that exists in the safe deposit box business is not altered. We also want to limit the banks potential liability to the least possible amount. Our concern is that the language of SB 703 might be construed to the point that the bank could be responsible for locating the beneficiaries of the items in the safe deposit box. We would offer the attached balloon which we believe would eliminate that concern.

We are also mildly concerned about what constitutes "proper identification and proof". Further clarification would benefit both the bank and the beneficiaries.

Thank you for your consideration.

Charles A. Stones
Director of Research

*Attachment 2
Federal and State Affairs
2/22/96*



Full Text of Bill 703

Different fonts indicate changes to the bill. Current versions of the Netscape browser do not display double strike (underline) fonts. The Mosaic web browser does.

Supplemental note for this bill

Fiscal note for this bill

This bill with old style font codes (no html)

SB 703--

Session of 1996 SENATE BILL No. 703 By Committee on Federal and State Affairs 2-14

AN ACT concerning banks and banking; relating to delivery of certain contents of safe deposit boxes on death of the lessee or lessees; amending K.S.A. 1995 Supp. 9-1504 and repealing the existing section.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 1995 Supp. 9-1504 is hereby amended to read as follows: 9-1504. ~~In (a) If~~ the event the sole lessee or all lessees in joint tenancy named in the lease agreement covering a safe deposit box rental ~~shall die~~ dies, the safe deposit box may be opened, forcibly if necessary, at any time thereafter, in the presence of persons claiming to be interested in the contents ~~thereof~~ of the box, by two employees of the lessor, one of whom shall be an officer of the lessor. Such employees may remove all instruments of a testamentary nature and deposit the ~~same instruments~~ with the district court, taking ~~its receipt therefor~~ the court's receipt for them. The employees ~~in their discretion may, on proper identification and proof and without the necessity of a court order, shall~~ deliver: (1) Life insurance policies ~~therein~~ contained in the box to the beneficiaries named in ~~such the~~ policies; ~~and~~; (2) any certificate of deposit or evidence of a deposit account found in the box to any beneficiary or beneficiaries to whom the certificate or evidence designates the certificate or balance of the account shall be payable on death of the owner; and (3) any deed to a cemetery lot and any burial instructions found ~~therein~~ in the box to the appropriate parties.

upon request and presentation of

(b) Any and all other contents of ~~such box so opened~~ a safe deposit box opened under subsection (a) shall be kept and retained by the bank, trust company or safe deposit company and shall be delivered only to the parties legally entitled to the ~~same~~. ~~In the event contents.~~ If no person claims to be interested in the contents of ~~such the~~ box within 60 days after the death of the lessee, the lessor may open the box by forcible entry ~~and~~, remove the contents and deliver the ~~same contents~~ to the district

MAR 11 1996

**Explanation of
Substitute Senate Bill No. 410**

Section 1:

Establishes the tribal gaming oversight act.
* Floor Amendment

Section 2:

Defines the terms used within the tribal gaming oversight act.

Section 3:

Transfers the administration of the State Gaming Agency from the Department of Commerce and Housing to the Kansas Racing and Gaming Commission. The State Gaming Agency is the agency responsible for monitoring tribal gaming pursuant to the tribal-state gaming compacts. The State Racing and Gaming Commission is the current State Racing Commission as renamed in Section 20 of this bill.

Reason for Section 3:

The Executive Order creates only a temporary placement for the state gaming agency. If the State fails to designate a State Gaming Agency, the tribal gaming commission for each Native American tribe can exercise the authority of and carry out the responsibilities of the state gaming agency. Tribal gaming would proceed without state oversight.

Section 4:

Establishes the job requirements and duties of the executive director and director of compliance for the state gaming agency. The Governor will appoint the executive director. A KBI background investigation is required prior to the appointment of the executive director and the director of compliance.

Section 5:

Sets out the duties and responsibilities of the state gaming agency. Section 5 incorporates the duties of the state gaming agency as set forth in the compacts.

Section 6:

Allows designated employees of the state gaming agency to be vested with law enforcement power and authority. Said employees will have the powers to make arrests, conduct searches and seizures in enforcement of this act and the criminal laws.

Section 6 also creates a duty on behalf of the KBI to conduct or assist in conducting investigations of criminal violations and violations of this act.

* Floor Amendment

*Attachment 3
Federal and State Affairs
2-22-96*

Reason for Section 6:

Granting the state gaming agency law enforcement authority will facilitate their ability to obtain information on suspects and criminal investigations from other law enforcement agencies outside of Kansas. Pursuant to the compact the KBI has authority to assist and/or conduct investigations. This provision makes Kansas law consistent with the compact.

Section 7:

Creates a duty for the KBI to conduct or assist in criminal violations and violations of the compact.

*Floor Amendment to eliminate this section because it duplicates.

Section 8:

Amends the language of S.B. 495 (which has already been signed by the Governor) to make it consistent with this act.

Section 9:

Creates the tribal gaming fund for administering collection of and distribution of deposits from the tribes in accordance with the Compacts. It also allows the executive director and the director of accounts and reports to establish such accounts as are necessary to administer the responsibility of the state gaming agency pursuant to the compacts. Any appropriation from the state general fund for operation or expenses of the state gaming agency will be considered a loan and shall be repaid with interest.

Necessity for Section 9:

The compacts provide that the tribes with compacts will reimburse the state for any expenses the State incurs to operate the state gaming agency or comply with other provisions of the compact. Thus, a fund for these payments is necessary. The compact terms provide for the first payment toward the fiscal year budget to be made on September 20 of each year. Thus, the state gaming agency operates from July 1 to September 20 without any operation funds in the tribal gaming fund. The option of a loan from the general fund address this problem.

Section 10:

Makes it a class A nonperson misdemeanor for the executive director (and other employees per floor amendment) to have a financial interest in any tribal gaming facility or host facility for progressive jackpots.

Further, Section 10 makes it a misdemeanor for employees of the state gaming agency and their family members to participate in tribal gaming activities or receive any financial benefit from these activities.

Section 10 also makes it a crime for anyone under the age of 21 to wager or play a class III game and for anyone to allow someone under the age of 21 to wager or play a class III game.

Finally, Section 10 creates a number of criminal violations for cheating and stealing activities exclusive to the gaming industry.

*Floor Amendment

Necessity of Section 10:

Section 10 prevents conflicts of interest within the state gaming agency and creates a means for the state to prosecute criminal violations associated with gaming activities. The compacts provide that the State of Kansas has concurrent criminal jurisdiction over Indians and exclusive criminal jurisdiction over non-Indians. Section 11 merely establishes the crimes the State of Kansas has an interest in preventing.

Section 11:

Allows the state gaming agency to receive expunged municipal court criminal records.

Necessity of Section 11:

The state gaming agency is authorized to review the licensing decisions of the tribal gaming commission to ensure that the decision is in the best interest of the State. Expunged criminal records are helpful in deciding whether a person wanting to participate in gaming or gaming regulation is trustworthy and honest.

Sections 12, 13 and 14:

Amend current state statutes regarding gaming to make them consistent with the compacts.

Necessity of Section 12, 13 and 14:

These revisions do not effect the type of gaming that will be allowed under the compacts. Instead, these amendments simply make current state statutes consistent with the gaming activities authorized by the compacts.

Section 15:

As in section 11, section 15 allows the state gaming agency access to expunged state criminal records for purposes of determining employee and licensee qualifications.

Section 16:

Allows the tribal gaming facility to establish a Class B club without the waiting period and membership fee generally associated with a Class B club.

Necessity of Section 16:

The compacts allow the tribal gaming facilities to serve alcoholic beverages in accordance with state and federal law. Thus, under state law the tribal gaming facility can become a Class B club. However, to facilitate regulation, it becomes less cumbersome to eliminate the waiting period and membership fee. This exact provision was enacted for parimutuel race tracks.

Section 16, will not allow the tribal gaming facility to do anything they cannot do now, it simply makes the regulation of that action more efficient.

Section 17:

Allows the State Gaming Agency to not disclose any records of which is restricted or prohibited by a tribal-state gaming compact. This is an amendment to the Kansas Open Records Act.

Necessity of Section 17:

The compact provides that certain documents provided to the state gaming agency will not be disclosed to the public. Section 17 amends the open records act to make its language consistent with the compact. This amendment provides additional protection from legal action to the state gaming agency when it fails to produce the protected records.

Section 18:

Allows a tribal employee to attend state law enforcement training courses.

Necessity of Section 18:

The compact authorizes the tribes to establish a law enforcement agency. The compact requires all tribal law enforcement agents to be trained at a state facility. Thus, section 18 is necessary for the state to fulfill its duties under the compact.

Section 19:

Provides that the tribe will reimburse the law enforcement training center for the cost of training employees of the tribal law enforcement agency.

Necessity of Section 19:

It simply makes state statutes consistent with the compacts' terms.

Section 20:

Renames the current racing commission to be the Kansas Racing and Gaming Commission.

Section 21, 22 and 23:

Simply cleans up the language of the Kansas parimutuel racing act and makes it consistent with the renamed Kansas Racing and Gaming Commission.

Section 24:

Requires semi-annual activity reports to the Kansas racing and gaming commission concerning inspections and investigations of bingo operations in Kansas.

Section 25:

Allows the racing and gaming commission to enter a closed or executive meeting to discuss matters required to be discussed in closed or executive meeting pursuant to the compacts.

Necessity of Section 25:

Provides further authority for the commission's compliance with the terms of the compact.

Section 26:

Repeals the previous laws inconsistent with these amendments.

Section 27:

This act will take effect after its publication in the statute book.