

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 11:10 a.m. on February 27, 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, Research  
Nancy Wolff, Committee Secretary

Conferees appearing before the committee:  
Brent Anderson, Counsel to the Governor  
Natalie Haag, Executive Director, State Gaming Agency

Others in attendance: See attached list

Hearings were held on **SB410** which would bring about statutor changes to facilitate implementation of tribal-state gaming compacts. This bill was the result of Proposal No. 37 from the Special Committee on Gaming (Attachment 1).

Natalie Haag, Executive Director of the State Gaming Agency, distributed a substitute bill for **SB410**. This bill would allow regulation of alcohol consumption at casinos located on indian territory. It would also designate the KBI as the law enforcement agency that would assist with criminal investigations.

Brent Anderson, Counsel to the Governor, testified in support of the substitute bill which would implement the state's role in the four Indian gaming compacts approved by the Legislature during last year's session and would provide a permanent home for the State Gaming Agency as a part of the Kansas Racing Commission (Attachment 2).

Natalie Haag testified in support of the bill and presented testimony to clarify why the legislation is required to regulate alcohol as it relates to casinos. It would also create a permanent location for the state gaming commission which is required as the gaming commission is temporarily housed in the Department of Commerce.

There being no other conferees to appear on the bills, the meeting was adjourned at 11:45 a.m.

FEDERAL & STATE AFFAIRS COMMITTEE  
GUEST LIST

DATE: 2-27-96

NAME	REPRESENTING
Pam Evans	Kansas Lottery
Natalie Haag	State Gaming Agency
Alan Steppat	PETE McCOILL + Associates
Beth Fenske	State Gaming Agency
Jim Conant	ABE
Bill Gaven	Sewa/KANKE
MIKE CALWELL	Friends of the KAW
Lance Burr	Friends of the Kaw
Patty Becker	Friends of the KAW
Alenn O. Thompson	Stand Up For KANSAS
Wick Dunn	KWSWA
Morgan E. Lake	Racing Commission
Ted Clark	KBI
Brent Anderson	Governor's Office

SENATE STATE AND FEDERAL AFFAIRS COMMITTEE  
Testimony of Natalie G. Haag  
Executive Director, State Gaming Agency  
February 27, 1996  
Testimony regarding Senate Bill 410

Madame Chairperson, members of the committee, at the briefing on Senate Bill 410 you raised several questions which I would like to address briefly.

With respect to the amendment to the Kansas liquor laws, it is helpful to understand that federal law prohibits the sale of alcoholic beverages on Indian reservations. To create an exception the Indian nation must vote (similar to the Kansas county by county vote on liquor by the drink) to allow the sale of alcohol on reservation property. A resolution passed by the tribal members will allow the sale of alcohol on the reservation. The compacts allow liquor sales at the gaming facilities in accordance with state law.

The issue is what is State law? After consulting with the Attorney General and the Department of Revenue (ABC) the consensus was reached to propose regulation for the sale of liquor at the gaming facilities in the same manner as the parimutuel racetracks are regulated. Thus, the section included within Senate Bill 410 was drafted and presented to the Special Committee on Gaming.

This committee also asked several questions regarding the police training provisions of Senate Bill 410. The compact allows the tribes to establish tribal law enforcement agencies with mandatory training at State approved facilities. The cost of any training is to be reimbursed to the State of Kansas by the applicable tribal government.

The issue of prosecution of criminals and enforcement of laws is not raised by this bill as the compact language is consistent with current State law. However, the bill does designate the Kansas bureau of investigation as that law enforcement agency assisting in criminal investigations. A similar provision was made to provide the KBI with authority to investigate possible crimes in the race track facilities.

*Senate Federal - State Affairs*  
*2/27/96*  
*Attachment #1*

STATE OF KANSAS



BILL GRAVES, *Governor*  
*State Capitol, 2nd Floor*  
*Topeka, Kansas 66612-1590*

(913) 296-3232  
1-800-432-2487

FAX: (913) 296-7973

OFFICE OF THE GOVERNOR

**TESTIMONY SUBMITTED  
TO THE SENATE FEDERAL AND STATE AFFAIRS COMMITTEE  
IN SUPPORT OF SUBSTITUTE FOR S.B. 410  
BY BRENT ANDERSON, COUNSEL TO THE GOVERNOR  
TUESDAY, FEBRUARY 27, 1996**

Thank you, Madam Chair. Governor Graves urges the committee to recommend Substitute for S.B. 410 favorable for passage. It implements the state's role in the four Indian gaming compacts approved by the Legislature last year and provides a permanent home for the State Gaming Agency amendable to that task, the Kansas Racing Commission.

The genesis of this bill was the Governor's Indian Gaming Implementation Group, formed by Governor Graves to assist in compact implementation. The group was chaired by Senior Deputy Attorney General John Campbell and included representatives of the KBI, the Kansas Department of Revenue, Legislative Research and the Revisor's office, and the governor's office. This group was instrumental in the orderly start-up of the State Gaming Agency, which was temporary placed by Governor Graves in the Department of Commerce and Housing until the Legislature could act to place the agency permanently.

Passage of Substitute for S.B. 410 would complete an orderly and effective transition of the State Gaming Agency's important oversight responsibilities. By placing the agency with the Racing Commission, you allow for efficient sharing of administrative and investigative resources. With the appointments of Natalie Haag and Allan Jones to the agency, Governor Graves has taken a giant first step toward successful state involvement in implementation of the gaming compacts. By approving S.B. 410, the Legislature takes the next important step and assures Kansans that the state's interests in this process are protected.

Also, Madam Chair, please allow me to pass along the Governor's thanks for your quick action in passing S.B. 495, which allowed the State Gaming Agency to move forward in reviewing background checks. Prompt passage of that bill demonstrated the Legislature's commitment to proper implementation of Indian gaming in Kansas.

*Senate Federal and State Affairs*  
*2/27/96*  
*Attachment 2*