

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 2:15 p.m. on March 27, 1996 in Room 423-S of the Capitol.

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

Members not present: Senator Jordan - excused  
Senator Papay - excused  
Senator Walker - excused

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

Conferees Appearing Before the Committee:  
Steve Montgomery, Kansas Greyhound Kennel Owners' Assn.  
Jim Conant, ABC  
Greg Ziemack, Kansas Lottery

Others attending the meeting: See attached list

Jim Conant of the ABC appeared in response to an inquiry from the Chair regarding the Pull Tab Dispenser machine that was profiled at the morning meeting and its legality in the state of Kansas. Mr. Conant stated that the information included in the handout from the Division of Alcoholic Beverage Control dated January 19, 1996 was not issued in response to the information on the Dispenser and in his estimation, such a machine would not be legal under the current laws of the state. He stated that if such a machine were currently in use in the state that he would like to see it because he did not believe they could approve such a machine for use.

Senator Praeger stated that **SB754** was a way to help the tracks and it was her feeling that the desire on the part of the committee would be to find a solution. Senator Oleen stated that there was enough interest in the committee to look at this alternative and to try to make it work.

Senator Jones stated that he was confused after listening to the information presented in the morning session. It was his thought that there was a "picture window" on the machine but that it had to be manipulated by the player. He stated that if such a machine is legal, he would like to know where it came from.

Mr Conant replied that with the little time he had to look at the information, that if the machine did nothing but dispense the tickets and to determine whether the player was a winner or loser. If the player had to pull back the tab and then scan the ticket to determine if it was a winner, it would be legal. On the other hand, if the player learns from the screen before opening the ticket that the ticket would be a winner, it would not be legal.

Senator Vidricksen stated that there was a telephone number on the brochure and that he would make a call to determine how the machine operates. Greg Ziemack said the ticket the retailer receives now has an area that scratches off and can be scanned to see if it is a winner or not, but it is the retailer that checks the ticket, not the player that checks the ticket.

Mary Torrence said that there are two different ways **SB754** would go beyond what the AG's opinion talks about--the definition of Keno does not require that there be a clerk between the player and the game, it could be player activated and when referring to the definition of on-line lottery games in lines 32 and 33 on page 3, it talks about playing on player station or terminal which are player activated. In both cases, it would not fall in the current law as the attorney general interpreted it.

Senator Ramirez questioned whether the committee was going to do something to help the tracks financially so they can stay in business or play games. It was his opinion that SB754 would not do anything to keep them

from going bankrupt. Senator Oleen replied that the bill carried with it a \$900,000 fiscal note that is not in the Governor's budget and the games to be played need to be within the current law. She stated that it is the responsibility of the legislature to make the bill legal as the laws are currently written.

Senator Gooch stated that his position was that the committee was to try to allow the tracks to do something within the range of the present law and what had been heard this morning was that the committee was trying to do some things that are not in the current law and that if that were the case, the committee needed someone to state that up front.

Senator Ramirez asked Mr. Montgomery with regard to the presentation given during the morning meeting, if he had any response to what the committee had learned from Mr. Conant and whether the industry could live with the attorney general's opinion and if not, did games need to be changed to allow the industry to operate. Mr. Montgomery replied that the games described on Page 3, lines 27-32 of the bill are all the kinds of games the industry is requesting. He said that the law would have to be changed to address the splits, days of operation and times, but the kinds of games being requested are Keno, call bingo, instant bingo and on-line lottery games using a signal coming out of the lottery if the commission and the Governor approve the games.

The meeting was adjourned at 3:05 p.m.

Name

Alan Steppat

Mary Payne Hellebrant

Alex Ziemak

Sue Peterson

Bill Snyder

Merle Hice

Tom Bruno

Jim Detloff

Bruce Rimbo

Jim Edwards

Richard Dupon

Suzanne Wagner

Roy Berger

Represent

PETE MCGILL & Associates

Kansas Smokeless Kids Initiative

Kansas Lottery

Kansas State University

Kansas State University

KACC

Allen & Assoc.

KS AFN-CIO

The Woodlands

KOCT

KS THOROUGHBRED ASSOC.

The Woodlands

Wichita Creyburns Park