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Date

2/2/99

## MINUTES OF THE HOUSE COMMITTEE ON FEDERAL & STATE AFFAIRS.

The meeting was called to order by Chairperson Susan Wagle at 1:30 P.M. on January 25, 1999 in Room 313-S of the Capitol.

All members were present except:

Committee staff present: Theresa Kiernan, Revisor of Statutes  
Mary Galligan, Legislative Research  
Russell Mills, Legislative Research  
Judy Swanson, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list

Mary Galligan, Legislative Research, distributed copies of Reports of the Special Committee on Federal and State Affairs to the 1999 Kansas Legislature to committee members. Senator Oleen chaired the interim committee. Five topics were addressed: 1) Recodification of State Liquor Laws; 2) Strengthening Enforcement of Liquor Tax Laws; 3) Clarification and Improvement of State Bingo Tax Laws; 4) Public Safety; and 5) Impact of Tribal Casinos.

Mary Galligan reviewed Recodification of State Liquor Laws. She said cities do not want to lose any home rule authority. Kansas liquor laws are confusing, but the liquor industry and ABC did not want to change policy (with several exceptions). They only want to solidify the law so it would be easier to use. **SB 6** is the result of the interim committee's work, and has been assigned to Senate Federal & State Affairs Committee. The bill would allow, but not require, local licensure of clubs, caterers, restaurants, etc. To enforce licenses they would allow operating standards such as residence requirements, training requirements, additional age requirements, etc. If there are no drinking establishments in a county now, the bill would be moot in that county. Hours of operation could be an operating standard under local licensure. If a city would have a club license bill and not renew a license, a club could not operate with state license only. This recommendation was passed out of interim committee with a majority, but not with unanimous vote.

Russell Mills, Legislative Research, gave a brief history on the background of the Public Safety issue. The Governor had also created a task force to study hazardous materials, and the task force proposed that the Fire Marshal's office be the overall coordinating body. The interim committee concurred with that recommendation and further recommended a 1-800 number be given to the Fire Marshal's office. This proposal, **HB 2012**, is in the Governmental Organization Committee and may be voted on this week. The fiscal note is about \$450,000 and comes from the Fire Marshal Fee Fund.

Mary Galligan reviewed Impact of Indian gaming facilities in counties in which such facilities are located and on the state as a whole. Jackson and Brown Counties are the counties primarily affected. The interim committee visited four reservations as part of its' work last summer and visited casinos. Hearings were held in both Topeka and Hiawatha to hear from local folks in regard to the impact of the casinos. On the positive side was creation of jobs in those areas, more outside money coming in and self sufficiency of tribes. On the negative side were law enforcement problems, wear & tear on roads and infrastructure and inadequate medical & emergency services. Therefore, \$50,000 for Jackson and Brown Counties for three years to enhance law enforcement was recommended in **HB 2008** which is currently in House Appropriations Committee. It was questioned as to whether or not this was in Governor's Budget.

Mary Galligan then reviewed the Clarification and Improvement of State Bingo Tax Laws. The State does not have a good way to determine if all the tax on bingo was being collected, especially since it is a cash game. Currently a 3% tax is distributed 1/3 to State General Fund, 1/3 to State bingo enforcement and 1/3 for local bingo enforcement. The interim committee toured bingo facilities, and had hearings in

Topeka and Wichita. The major concerns that the committee heard was in regard to tax rates, both bingo tax and sales tax, enforcement of the law and the issue of competition. **HB 2013** assigned to this committee calls for the 4.9% state and local sales tax be removed from bingo cards and tickets; and a 3% bingo tax fund be moved from organization level and be collected by distributors; bingo administration be moved from Department of Revenue to the Racing & Gaming Commission. The bill provides for distributors to retain 2% for covering costs. No fiscal note has been attached. The interim committee assumed the Racing & Gaming Commission could implement this law within the 1/3 monies that is currently earmarked to the Department of Revenue.

Concerning Liquor Tax Laws, the interim committee recommended **SB 6** be introduced which requires licensees to be current in payment and filing of all state taxes. This bill is in the Senate Federal & State Affairs Committee.

Representative Mayans made a motion to approve the Minutes of the January 20 Committee Meeting. Rep. Ruff seconded the motion. Motion passed.

The next meeting will be January 28.

