

MINUTES OF THE HOUSE TOURISM COMMITTEE.

The meeting was called to order by Chairperson Carol E. Beggs at 11:50 a.m. on April 10, 2002 at the rail of the Capitol.

All members were present except: Representative Don Myers

Committee staff present: Dennis Hodgins, Research Department
Bob Nugent, Revisor of Statutes
Carol Doel, Committee Secretary

Conferees appearing before the committee: None

Chairman Beggs opened the meeting at the rail stating that the intention was to bring up **HB 2183** and therein substitute for **HB 2890** with amendments.

Representative Aurand made a motion that we gut HB 2183 and replace with language from substitute for HB 2890. This motion was seconded by Representative Levinson. Motion carried with a count of 9 to 6.

A second motion was made by Representative Aurand suggesting 1% be cut from the tracks and put in the regulation fund. The motion was seconded by Representative Margaret Long. Motion carried.

A motion to adopt the balloon, which was drafted by Bob Nugent from the Revisor of Statutes Office was made by Representative Aurand and seconded by Representative Margaret Long. This made language changes in New Section 18. Motion passed. (Attachment 1)

Representative Jeff Peterson moved the language regarding *at large facility* be removed from the bill. This was seconded by Representative Mason.

Representative Ethel Peterson and Representative Aurand spoke in opposition to this amendment.

Representative Ballou spoke in support of this amendment.

Chairman Beggs called for a vote. Motion carried with a vote of 8 for and 7 against with Representative Aday not casting a vote.

Another motion proposed by Representative Jeff Peterson suggested reducing both the city and county funds by .5% and returning it to the State General Fund (SGF). The motion was seconded by Representative Novascone. The motion failed with a vote of 5 to 9.

Representative Ballou made a motion to pass the bill out favorably. This was seconded by Representative Margaret Long.

A substitute motion was proposed by Representative Jeff Peterson which would include the language stating: *to be selected as a lottery gaming machine operator, a parimutuel companion licensee shall meet specific requirements and agree to expend (A) not less than \$50 million for capital improvements, infrastructure and related costs within the two years immediately following selections as a lottery gaming machine operator, if the parimutuel companion licensee location is in Wyandotte or Sedgwick county; or (B) not less than \$25 million for capital improvements, infrastructure and related costs within the two years immediately following selection as a lottery gaming machine operator, if the parimutuel companion licensee locations is in Crawford county.* Representative Ethel Peterson seconded the vote.

Chairman Beggs again called for a show of hands and motion failed with a final count of 4 to 9.

Representative Ballou requested return to his previous motion to pass the bill out favorably.

A vote by show of hands was taken with the motion passing with a count of 8 to 7.

CONTINUATION SHEET

MINUTES OF THE HOUSE TOURISM COMMITTEE on April 10, 2002 at the rail of the Capitol

Representatives Huy, Palmer, Osborne, McClure, and Mason wished to be recorded as voting no.

Meeting adjourned at 12:20 p.m.

1 areas where electronic gaming machines are located, the Kansas racing
2 and gaming commission shall approve all such security measures.

3 (f) The Kansas racing and gaming commission may provide by rules
4 and regulations for the licensure of key gaming employees and technology
5 providers. Such rules and regulations may specify employment applica-
6 tion forms, fees and procedures for suspension or revocation of any key
7 gaming employee license or technology provider license.

8 (g) The Kansas racing and gaming commission shall require an annual
9 audit of the electronic gaming machine operations of each lottery gaming
10 machine contractor contracting with the Kansas lottery. Such audit shall
11 be conducted by a licensed accounting firm approved by the Kansas rac-
12 ing and gaming commission. Such audit shall be conducted at the expense
13 of the lottery gaming machine contractor to which such audit applies.

14 (h) The Kansas racing and gaming commission shall have the power
15 to take any other action as may be reasonable or appropriate to enforce
16 the provisions of this act and any rules and regulations, orders and final
17 decisions of such commission.

18 New Sec. 18. (a) It is a class A nonperson misdemeanor for the ex-
19 ecutive director, any member of the lottery commission, any employee
20 of the Kansas lottery or any member, employee or appointee of the Kan-
21 sas racing and gaming commission, including stewards and racing judges,
22 knowingly to:

23 (1) Participate in the operation of or have a financial interest in any
24 business which has been issued a concessionaire license, racing or wa-
25 gering or electronic gaming machine equipment or services license, fa-
26 cility owner license or facility manager license, or any business which sells
27 goods or services to an organization licensee;

28 (2) participate directly or indirectly as an owner, operator, manager
29 or consultant in electronic gaming in Kansas;

30 (3) place a wager on or bet or play an electronic gaming machine in
31 Kansas;

32 (4) accept any compensation, gift, loan, entertainment, favor or serv-
33 ice from any parimutuel licensee, except such suitable facilities and serv-
34 ices within a racetrack facility operated by an organization licensee as may
35 be required to facilitate the performance of the executive director's,
36 member's, employee's or appointee's official duties;

37 (5) enter into any business dealing, venture or contract with an owner
38 or lessee of a parimutuel licensee location in Kansas; or

39 (6) engage in any activity described in subsection (a)(1), (2), (4) or
40 (5) within two years from the last day of service as such executive director,
41 member, employee or appointee.

42 (b) It is a severity level 8, nonperson felony for any person playing or
43 using any electronic gaming machine at a parimutuel licensee location in

add int
a legislator, an employee of a city or
county in which a parimutuel racetrack
facility is located

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is located

; or (7) the provisions of paragraph (3)
shall not apply to legislators or
employees of cities or counties in which
a parimutuel racetrack facility is located

4-10-02

Attach 1