

MINUTES OF THE SENATE FEDERAL AND STATE AFFAIRS COMMITTEE

The meeting was called to order by Chairman Pete Brungardt at 10:30 a.m. on January 23, 2007 in Room 231-N of the Capitol.

All members were present except:

Senator Roger Reitz- excused

Committee staff present:

Kathie Sparks, Kansas Legislative Research Department
Dennis Hodgins, Kansas Legislative Research Department
Ken Wilke, Revisor of Statutes Office
Connie Burns, Committee Assistant

Conferees appearing before the committee:

Ed Van Petten, Kansas Lottery
Jeff Boerger, Kansas Speedway
Tracy Stanhoff, Prairie Band Potawatomi Nation

Others attending:

See attached list.

SB 66 - Lottery; repeal of sunset; contract renewals; retailer requirements

Chairman Brungardt opened the hearing on **SB 66**.

Ed Van Petten, Executive Director, Kansas Lottery, appeared in favor on the bill. (Attachment 1) The bill is requesting two amendments to existing statutes and the repeal of another. 1) The elimination of the sunset date of the Lottery 2) Major procurement contracts - this provision is unique to Kansas and no other lottery in the nation has a similar provision, and contractual relationships entered into by any other agency of the State of Kansas, and the provision was not included in the original Lottery Act, and did not go through the committee process. This takes away the ability to renew contracts. 3) Requirement of issuance and displays of a Kansas Lottery certificate have been included in the Kansas Lottery Act since inception; as a practical matter the only entities actually able to sell Lottery products are those specifically outfitted and supplies by the Kansas Lottery. In addition, each retailer must enter into a written contract with the Lottery, so the issuance of a certificate is duplicative, inefficient, and otherwise unnecessary.

The Fiscal Note for the bill was provided. (Attachment 2)

Jeff Boerger, Kansas Speedway President, spoke in favor of the bill. (Attachment 3) The Kansas Speedway and the Lottery have partnered since the start of the track, either through the sale of lottery tickets during race weekends or through the actual sponsorship of races, and have enjoyed a tremendous economic and business relationship. The Speedway respectfully requests that the committee act favorably on the bill.

Staff provided the committee with a technical housekeeping amendment, that changes certificate to contract on page 4 line 23, and the statute that repeals the sunset is KSA 74-8723. (Attachment 4)

Marlee Capenter, Kansas Chamber of Commerce, (Attachment 5) and Ashley Sherard, Lenexa Chamber of Commerce, (Attachment 6) provided written testimony in support of the bill.

Chairman Brungardt closed the hearing on **SB 66**.

SB 13 - Native American tribal law enforcement jurisdiction; liability insurance coverage, proof of; repealing sunset

Chairman Brungardt opened the hearing on **SB 13**.

Staff provided an overview of the bill, which deals with insurance covering the law enforcement of the

CONTINUATION SHEET

MINUTES OF THE Senate Federal and State Affairs Committee at 10:30 a.m. on January 23, 2007 in Room 231-N of the Capitol.

Indian Reservation.

Tracy Stanhoff, Chairperson, Prairie Band Potawatomi Nation Tribal Council, appeared in favor of the bill with amendments. (Attachment 7) The committee had suggested amendments and the Tribal Council has no problem with them, but would strongly object to any other amendments that are not a result of an agreement between the Tribes and the state.

The Committee discussed the sovereign immunity for both the Tribes and the state of Kansas.

Staff provided a balloon with language previously discussed. (Attachment 8)

Chairman Brungardt closed the hearing on **SB 13**.

The meeting was adjourned at 11:20 am. The next scheduled meeting is January 24, 2007.



KANSAS LOTTERY

ED VAN PETTEN, EXECUTIVE DIRECTOR

KATHLEEN SEBELIUS, GOVERNOR

Testimony Before The
Senate Federal and State Affairs Committee
S. B. 66

Presented By:
Ed Van Petten, Executive Director
Kansas Lottery

Mr. Chairman and members of the Committee:

Thank you for giving me the opportunity to address this legislation, which has been requested by the Kansas Lottery. S.B. 66 proposes two amendments to existing statutes and the repeal of another. I will address the three issues separately and welcome any questions during this discussion.

Proposal #1:

Repeal **K.S.A. 74-8723**, "Abolition of lottery."

1. Summary:

As presently enacted, this statute abolishes the Kansas Lottery, the office of Executive Director of the Kansas Lottery, and the Kansas Lottery Commission on July 1, 2008. An "automatic" abolition of the Lottery has been contained in this statute from inception of the Lottery, after which time the date of abolition has been extended several times by the Kansas Legislature.

2. Fiscal Impact:

The Kansas Lottery is aware of no direct fiscal impact from this amendment; however, indirect fiscal benefits are likely. Vendors may be reluctant to enter into a multi-year contract with the Lottery beyond the "sunset" date in this statute. Without this hindrance the Lottery will be free to negotiate contracts with vendors in a more businesslike manner, likely with terms and conditions more favorable to the Lottery and the State of

Kansas. Furthermore, from past experience, renewal of the Lottery often takes inordinate amounts of the Legislature's limited time and resources, the fiscal impact of which is difficult to determine.

The Kansas Lottery Personnel Director has reported that some applicants for employment have voiced concern regarding the potential for abolition of the lottery; however it is not known if anyone has failed to apply for employment because of this provision.

3. Background:

This is the 20th year for sales by the Kansas Lottery. Many years ago the Kansas Lottery ceased being an "experiment" or "temporary" program that should be subject to automatic termination. Instead, it is a vital state agency that generates substantial and reliable streams of revenue for the worthwhile State programs to which its revenues are dedicated. If the Legislature sees fit it could terminate the Lottery at any time, with or without the abolition clause contained in K.S.A. 74-8723.

These periodic renewal exercises are antiquated and serve no meaningful purpose. This is especially true considering the substantial oversight that has been quite effectively built into the system, including the following: the five-member Lottery Commission meets monthly and oversees operation of the Lottery; annual reports by the Lottery to key Legislative committees, along with ad hoc reports whenever so requested; annual financial audits by an independent auditing firm, contracted and coordinated by the Division of Legislative Post Audit; and security audits of the Lottery statutorily required at least every three years, also contracted and coordinated by the Division of Legislative Post Audit. In addition, The Multi-state Lottery Association (MUSL) conducts a separate security audit as a condition of membership.

The automatic abolition clause probably served a legitimate purpose when the Lottery was initially approved, but that is no longer the case. To the contrary, today that clause is a relatively useless impediment that may actually do more harm than good.

4. Impact on other State agencies:

None known.

Proposal #2

Amend K.S.A. 74-8705, "Major procurement contracts."

1. Summary:

"Major procurement contracts" are specifically defined in the Kansas Lottery Act to mean "any gaming product or service, including but not limited to facilities, advertising and promotional services, annuity contracts, prize payment agreements, consulting

services, equipment, tickets and other products and services unique to the Kansas lottery, but not including materials, supplies, equipment and services common to the ordinary operations of state agencies” (K.S.A. 74-8702(g)). The award and administration of major procurement contracts entered into by the Lottery are further limited by K.S.A. 74-8705, including subsection “e” therein which states: “The executive director shall not agree to any renewal or extension of a major procurement contract unless such extension or renewal is awarded in the manner provided by this section.” This provision was not included in the original Lottery Act, but instead was added by a well-intentioned floor amendment offered during the during the 2001 Session of the Kansas Legislature. Thus, the amendment did not go through the committee process.

2. **Fiscal Impact:**

Potential beneficial impact on contract negotiations.

3. **Background:**

To the best of our knowledge and belief, this provision is unique to Kansas and no other lottery in the nation has a similar provision. Furthermore, to the best knowledge of the Lottery, there are no such restrictions placed upon similar contractual relationships entered into by any other agency of the State of Kansas. To the contrary, most major procurement contracts in the State of Kansas as well as other states include standard clauses allowing discretionary renewal or extension of a contract for one or more years – as did virtually all contracts into which the Kansas Lottery entered prior to 2001.

There are valid business reasons for renewal clauses, and in the long run statutory prohibition of such clauses may in fact do more harm than good. “New” is not necessarily “better.” Although it may certainly make sound economic sense to go out to bid for a new vendor, the Lottery must be operated like a business and its managers must be given the latitude and discretion to operate that business in the event the studied business decision is to “stay the course.” Furthermore, considering the fiscal necessity faced by vendors requiring a contract run long enough to recapture their initial capital investment, arbitrarily created termination dates without the possibility of extension may at times dictate that the initial term of the contract be extended for a longer period than would normally have been negotiated. Quite often in the negotiation of a renewal or extension, a better price can be negotiated for the State.

4. **Impact on other State agencies:**

None known.

Proposal #3

Amend K.S.A. 74-8708(e), (f) and (l) repealing the requirement of issuing and displaying lottery retailer certificate, and related provisions.

1. Summary:

Only those retailers specifically approved by the Kansas Lottery may sell Kansas Lottery products; each retailer must enter into a written contract with the Lottery; all authorized retailers are presently issued a certificate that must be “conspicuously displayed”; and, all Lottery products may only be sold at the location stated on the certificate. The proposed amendment would not alter the requirement that Lottery products only be sold by those retailers approved by the Lottery, but the technical requirement of issuance and display of a “certificate” would be repealed.

2. Fiscal Impact:

The Kansas Lottery is aware of no significant fiscal impact from these amendments, but there will be some minor savings of time and money by making the issuance of retailer authorizations more efficient.

3. Background:

Requirements of issuance and display of a Kansas Lottery Certificate have been included in the Kansas Lottery Act since inception; however, as a practical matter the only entities actually able to sell Lottery products are those specifically outfitted and supplied by the Kansas Lottery (e.g., supplies of tickets, the electronic on-line terminal, winning ticket scanners, play slips, point of sale materials, and so forth). There is very little, if any, likelihood that unauthorized retailers will attempt to sell Kansas Lottery products (and in any event, it is unlikely that mere lack of a certificate would actually deter those who would attempt to sell without proper authority). On the other hand, in these times of increased competition for the physical space for advertising and other “point of sale” materials, retailers have repeatedly expressed displeasure over the necessity to “conspicuously display” their Lottery certificate. In addition, for the Lottery it is administratively burdensome to actually issue approximately 1,900 certificates and update them annually. Furthermore, each retailer must enter into a written contract with the Lottery, so the issuance of a certificate is duplicative, inefficient, and otherwise unnecessary. In that same vein, all other provisions of the Lottery Act speak to the **contractual** relationship between the Lottery and its retailers as opposed to “certification,” thus; deleting all references to certification/certificates would render the Act more internally consistent.

4. Impact on other State agencies:

None known.

January 23, 2007

The Honorable Pete Brungardt, Chairperson
Senate Committee on Federal and State Affairs
Statehouse, Room 522-S
Topeka, Kansas 66612

Dear Senator Brungardt:

SUBJECT: Fiscal Note for SB 66 by Senate Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning SB 66 is respectfully submitted to your committee.

SB 66 would eliminate the sunset provision in the statute governing the operation of the Kansas Lottery. Under current law, the agency will be abolished on July 1, 2008. The bill would also allow the Lottery to renew or extend procurement contracts and would not require the Lottery to issue lottery retailer certificates or require retailers to display a lottery retailer certificate.

In *The FY 2008 Governor's Budget Report*, a total of \$255.5 million in lottery ticket sales is estimated for the Kansas Lottery. Of this amount, \$75.0 million would be transferred to the State Gaming Revenues Fund (SGRF) and from this Fund, the following transfers are recommended in accordance with the statutory formula: \$42.4 million to the Economic Development Initiatives Fund, \$25.0 million to the State General Fund, \$5.0 million to the Correctional Institutions Building Fund, \$2.5 million to the Juvenile Detention Facilities Fund, and \$80,000 to the Problem Gambling Grant Fund. The Governor's recommendations assume that the agency's sunset date will be extended beyond July 1, 2008.

The Lottery indicates that if it were abolished on July 1, 2008, sales of on-line lottery games would end July 1, 2007 and instant ticket sales would end January 1, 2008. The Lottery estimates that under this scenario, ticket sales for FY 2008 would be between \$44.4 million and \$55.5 million. Of that amount, the Lottery estimates that its transfer to the SGRF would be between \$13.3 million and \$16.7 million. The Lottery anticipated there would be a reduction of certain expenses due to the discontinuation of advertising and a reduction in staff; however, it is unable to estimate the amount of the reduction.

Sincerely,



Duane A. Goossen
Director of the Budget

cc: Pat Scott, Lottery

Pat Higgins, Administration

Memorandum



TO: THE HONORABLE PETE BRUNGARDT, CHAIRMAN
SENATE FEDERAL AND STATE AFFAIRS COMMITTEE

FROM: JEFF BOERGER, PRESIDENT
KANSAS SPEEDWAY

RE: SENATE BILL 66

DATE: JANUARY 23, 2007

Mr. Chairman and members of the committee, my name is Jeff Boerger and I am President of Kansas Speedway. As you all are aware, Kansas Speedway is the state of the art motorcar racetrack in Wyandotte County. The Speedway is located at the intersection of I-435 and I-70, in Kansas City. The track seats nearly 82,000 spectators in its grandstand and over a given year we have over 600,000 customers utilize our facilities.

As we have done on several fronts, we have partnered with various Kansas entities to assure our continued success not only for the track but also for the State of Kansas on an economic development basis. It is in that regard, I wish to take a few minutes to speak to you about our partnership with the Kansas Lottery and our support of Senate Bill 66.

The Kansas Lottery and the Kansas Speedway have been partners since the inception of the track. Whether it has been the sale of lottery tickets during race weekends or the actual sponsorship of races, the Kansas Speedway and Kansas Lottery have enjoyed a tremendous economic and business relationship.

Through this relationship, the Kansas Lottery has assisted in the promotion of tourism to Kansas. Annually, it has generated \$750,000 in media exposure for the State of Kansas. The Kansas Lottery's 2006 promotions generated \$1,572,800 in revenue of which \$500,000 was transferred to the State of Kansas. Thus, the return on investment that the Kansas Lottery makes at the Speedway is five times greater than they spend.

We recognize that the Legislature must analyze the underlying statutes which support the Kansas Lottery. We wanted to assure that the Legislature knew that on behalf of one of its long standing partners, we would encourage the Legislature to do whatever it could to continue and maintain the tremendous position the Kansas Lottery has and that we, as its partner, will do all we can to continue the Kansas Lottery.

Thus, on behalf of Kansas Speedway, we respectfully request that the Senate Federal and State Affairs Committee act favorably on Senate Bill 66.

Thank you for your time and I will be happy to answer questions.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Jeff Boerger".

Jeff Boerger





1 (4) is a vendor or an employee or agent of any vendor doing business
2 with the Kansas lottery;

3 (5) resides in the same household of an employee of the Kansas lot-
4 tery or of a member of the commission; or

5 (6) has made a statement of material fact to the Kansas lottery, know-
6 ing such statement to be false.

7 (i) (h) For a partnership to be selected as a lottery retailer, the part-
8 nership must meet the requirements of subsections (g)(2), (g)(3), (g)(4)
9 and (g)(5) (f)(2), (f)(3), (f)(4) and (f)(5) and each partner must meet the
10 requirements of subsections (g)(1), (g)(3), (g)(4) and (h)(1) through (h)(6)
11 (f)(1), (f)(3), (f)(4) and (g)(1) through (g)(6).

12 (i) (i) For a corporation to be selected as a lottery retailer, the cor-
13 poration must meet the requirements of subsections (g)(2), (g)(3), (g)(4)
14 and (g)(5) (f)(2), (f)(3), (f)(4) and (f)(5) and each officer or director and
15 each stockholder who owns 5% or more of the stock of such corporation
16 must meet the requirements of subsections (g)(3), (g)(4) and (h)(1)
17 through (h)(6) (f)(3), (f)(4) and (g)(1) through (g)(6).

18 (i) (j) For an unincorporated association to be selected as a lottery
19 retailer, the association must meet the requirements of subsections (g)(2),
20 (g)(3), (g)(4) and (g)(5) (f)(2), (f)(3), (f)(4) and (f)(5) and each officer or
21 director must meet the requirements of subsections (g)(1), (g)(3), (g)(4)
22 and (h)(1) through (h)(6) (f)(1), (f)(3), (f)(4) and (g)(1) through (g)(6).

23 (i) (k) The executive director may terminate the [certificate] of any
24 lottery retailer who fails to meet any of the applicable qualifying standards
25 for selection as a retailer provided in this section or on the grounds for
26 termination provided in the contract pursuant to rules and regulations
27 adopted by the commission.



28 (i) (l) If a lottery retailer's rental payments for the business premises
29 are contractually computed, in whole or in part, on the basis of a per-
30 centage of retail sales, and such computation of retail sales is not explicitly
31 defined to include sale of tickets or shares in a state-operated lottery, the
32 compensation received by the lottery retailer from the lottery shall be
33 considered the amount of the retail sale for purposes of computing the
34 rental payment.

repeals the sunset.

35 Sec. 3. K.S.A. 74-8705, 74-8708 and 74-8723 are hereby repealed.

36 Sec. 4. This act shall take effect and be in force from and after its
37 publication in the Kansas register.

Legislative Testimony

SB 66

January 23, 2007

Testimony before the Kansas Senate Federal and State Affairs Committee
By Marlee Carpenter, Vice President of Government Affairs

Chairman Brungardt and members of the Committee;

The Kansas Chamber supports SB 66, renewing the Kansas Lottery and repealing its sunset. The proceeds of the Kansas Lottery are designated to go to the Economic Development Initiatives Fund (EDIF) to provide a stream of funding for economic development projects in the state. The Kansas Chamber and its members believe that the EDIF and its economic development programs are very important as we work to grow jobs and investment in the state.

The Kansas voters approved the establishment of a Kansas Lottery in 1986 by a 2 to 1 margin. Fifty million dollars of that revenue was set aside for new and innovative economic development programs. Since that time, the \$50 million cap has not been increased and more and more state general fund responsibilities have been transferred to the EDIF fund.

There are many economic development programs funded by proceeds from the Kansas Lottery, but more programs could be funded if the \$50 million cap was increased or non-economic development programs were shifted back to the state general fund.

Kansas private sector job growth is near the bottom when compared to other states and additional dollars to help grow, retain and attract jobs to Kansas is a worthy investment.

Thanks for your time and consideration of SB 66. The Kansas Chamber urges favorable consideration of SB 66 and the economic development programs funded by the Kansas Lottery.



**THE KANSAS
CHAMBER**

The Force for Business

835 SW Topeka Blvd.

Topeka, KS 66612-1671

785-357-6321

Fax: 785-357-4732

E-mail: info@kansaschamber.org

www.kansaschamber.org

The Kansas Chamber, with headquarters in Topeka, is the statewide business advocacy group moving Kansas becoming the best state in America to do business. The Kansas Chamber and its affiliate organization, The Chamber Federation, have more than 10,000 member businesses, including local and regional chambers and trade organizations. The Chamber represents small, medium and large employers all across Kansas.

Sen Fed & State

Attachment 5

1-23-07



The Historic Lackman-Thompson Estate

11180 Lackman Road
Lenexa, KS 66219-1236
913.888.1414
Fax 913.888.3770

TO: Senator Pete Brungardt, Chairperson
Members, Senate Federal & State Affairs Committee

FROM: Ashley Sherard, Vice-President
Lenexa Chamber of Commerce

DATE: January 23, 2007

RE: **Support for SB 66—Reauthorization of the State Lottery**

The Lenexa Chamber of Commerce would like to express its strong support for the provisions in SB 66 that repeal the sunset of the state lottery.

Recognizing that economic development efforts are essential to providing a diverse and stable economy, legislators made a public commitment before the state lottery was adopted by voters to dedicate lottery proceeds to financing state economic development programs. Accordingly, in 1986 the legislature created the Economic Development Initiatives Fund (EDIF).

EDIF is funded solely through the State Gaming Revenues Fund, the state's repository for lottery and racing revenues. The State Gaming Revenues Fund has a legislatively-mandated cap of \$50 million; approximately \$44 million of those proceeds are dedicated to EDIF to fund all the state's economic development agencies including the Department of Commerce, KTEC, and Kansas Inc., among other programs.

Any lottery revenues over the \$50 million cap are returned to the State General Fund. Although revenues are uncertain from year to year, the lottery has historically performed well enough that its revenues have typically exceeded the \$50 million cap.

Reauthorization of the state lottery is very important to the business community because we believe it is critical that a dedicated funding source to support state economic development programs be maintained.

Any reduction in current EDIF funding would significantly impair the state's economic development efforts and result in the loss of important business attraction and retention programs with long-term benefits and savings. Statewide thousands of jobs have been created or retained through business finance or site location assistance and thousands more have been impacted through training assistance, resulting in millions of dollars to the state in new investments and new payroll from assisted firms.

Sen Fed & State

Attachment 6

1-23-07

Further, recognizing the success of these programs, we would urge legislators to consider increasing the current \$50 million cap on EDIF funds to ensure Kansas can continue to adequately compete. Despite annual inflation, increasing costs, and new legislative mandates, the cap has not been increased since its inception in 1986. As a result, economic development agencies are incentivized to compete against each other for this ever-decreasing pot of resources rather than to cooperate, potentially failing to maximize the state's economic development efforts.

In summary, because we believe it is critical to maintain a dedicated funding source for statewide economic development programs that create significant jobs and economic growth, the Lenexa Chamber of Commerce strongly urges the committee to recommend SB 66 favorable for passage. Thank you for your time and attention to this important issue.

(7)

Prairie Band Potawatomi Nation
Tribal Council
Tribal Government Center
16281 Q ROAD, MAYETTA, KS 66509
Telephone: (785) 966-4000; Fax: (785) 966-4002

**Testimony re: SB 13, Senate Federal and State Affairs
Presented by Tracy Stanhoff on behalf of the
Prairie Band Potawatomi Nation
January 23, 2007**

Mr. Chairman, Members of the Committee:

My name is Tracy Stanhoff, and I am Chairperson of the Prairie Band Potawatomi Nation (PBPN) Tribal Council, one of the four Kansas Native American Indian Tribes.

As a brief history, 2005 SB 9 added Tribal law enforcement officers to the laundry list of officers who are recognized as law enforcement officers pursuant to state law. All Tribal law enforcement officers meet the same training and qualification standards applicable to all law enforcement officers. Most, if not all, of the PBPN Tribal law enforcement officers have experience as sheriff deputies or police officers prior to serving as Tribal law enforcement officers. Our former Chief of Police, Terry Scott, formerly served the State of Kansas as Assistant Superintendent of the Kansas Highway Patrol. Our current Chief, Sam Grant, was also employed by the Highway Patrol.

Currently, K.S.A. 22-2401a(3)(a)(i) provides that the insurance policy that the Tribes are required to maintain "shall be subject to verification by the attorney general". The PBPN did obtain the insurance required by the statute, and the insurance was and is "subject to verification by the attorney general" at any time at our Tribal offices.

The current proposed amendments arise from a case where an individual was arrested for embezzlement and challenged his arrest on the basis that the tribe did not fulfill all of the terms of the statute. Although his assertions were incorrect, the issue was raised about how verification is made by the Attorney General. The Joint Committee on State-Tribal Relations addressed the issue, and concluded that the wording should be revised. After a meeting of many of the principals

involved in the issue, we collectively concluded that the best way to protect the state's interest was to provide for the insurance company to notify the Attorney General when the policy is obtained and if the policy is limited or suspended for any reason, including non-payment of premiums.

The Joint Committee adopted the amendment, which was also approved by the PBPN Tribal Council and the other tribes.

Despite no opposition to this bill, it did not pass in the 2006 legislative session, and the Joint Committee on State Tribal Relations again approved this bill for introduction this year, but after extensive testimony regarding the success of the Tribal Law Enforcement law and the close working relationship between Tribal and other law enforcement officers, the committee unanimously amended the bill to strike the five-year sunset clause.

At the bill explanation of SB 13 before Senate Federal and State Affairs Committee, the committee discussed this bill and Sen. Vratil suggested amendments which have been presented to us for our review. We have reviewed the proposed amendments, and have no objection to these amendments if they are further revised to make it clear that the waiver of sovereign immunity is pursuant to the provision of Section 1(3)(b). In a lawsuit against the Tribe, the Tribe would be a defendant solely to the extent necessary to permit recovery against its insurance for a valid claim. This is already stated in the current law at Section 1(3)(b). The word "tribal" should also be inserted before the word "state" on line 37 so that immunity is also waived from any action in tribal court. I have attached a balloon amendment to my testimony indicating the language that would be acceptable to the PBPN.

The current law was the result of many compromises, and although the PBPN can support this change, we would strongly object to any other amendments that are NOT a result of an agreement between the Tribes and the state. We would urge the committee to approve SB 13 without any other amendments other than the one proposed by Sen. Vratil as modified as indicated in our attachment.

Thank you very much for permitting me to testify, and I will be happy to yield to questions.

SENATE BILL No. 13

By Joint Committee on State-Tribal Relations

1-3

9 AN ACT concerning jurisdiction of certain law enforcement officers;
10 amending K.S.A. 2006 Supp. 22-2401a and repealing the existing
11 section.

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

13 Section 1. K.S.A. 2006 Supp. 22-2401a is hereby amended to read
14 as follows: 22-2401a. (1) Law enforcement officers employed by consol-
15 idated county law enforcement agencies or departments and sheriffs and
16 their deputies may exercise their powers as law enforcement officers:

17 (a) Anywhere within their county; and
18 (b) in any other place when a request for assistance has been made
19 by law enforcement officers from that place or when in fresh pursuit of
20 a person.

21 (2) Law enforcement officers employed by any city may exercise their
22 powers as law enforcement officers:

23 (a) Anywhere within the city limits of the city employing them and
24 outside of such city when on property owned or under the control of such
25 city; and

26 (b) in any other place when a request for assistance has been made
27 by law enforcement officers from that place or when in fresh pursuit of
28 a person.

29 (3) (a) Law enforcement officers employed by a Native American
30 Indian Tribe may exercise powers of law enforcement officers anywhere
31 within the exterior limits of the reservation of the tribe employing such
32 tribal law enforcement officer, subject to the following:

33 (i) The provisions of subsection (3)(a) shall be applicable only if as
34 long as such Native American Indian Tribe has entered into maintains in
35 force a valid and binding agreement with an insurance carrier to provide
36 liability insurance coverage for damages assessed in state or federal court
37 and arising from the acts, errors or omissions of such tribal law enforce-
38 ment agency or officer while acting pursuant to this section. Such insur-
39 ance policy shall: (A) (1) Be in an amount not less than \$500,000 for any
40 one person and \$2,000,000 for any one occurrence for personal injury
41 and \$1,000,000 for any one occurrence for property damage and shall;
42 (2) be in an amount not less than \$2,000,000 aggregate loss limit; and (3)

tribal,

and waives its tribal immunity for any liability for damages arising from the acts, errors or omissions of such tribal law enforcement agency or officer while acting pursuant to this section, as provided in subsection 3(b).

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E-7

SENATE BILL No. 13

By Joint Committee on State-Tribal Relations

1-3

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17

18 (a) Anywhere within their county; and
19 (b) in any other place when a request for assistance has been made
20 by law enforcement officers from that place or when in fresh pursuit of
21 a person.

22 (2) Law enforcement officers employed by any city may exercise their
23 powers as law enforcement officers:

24 (a) Anywhere within the city limits of the city employing them and
25 outside of such city when on property owned or under the control of such
26 city; and

27 (b) in any other place when a request for assistance has been made
28 by law enforcement officers from that place or when in fresh pursuit of
29 a person.

30 (3) (a) Law enforcement officers employed by a Native American
31 Indian Tribe may exercise powers of law enforcement officers anywhere
32 within the exterior limits of the reservation of the tribe employing such
33 tribal law enforcement officer, subject to the following:

34 (i) The provisions of subsection (3)(a) shall be applicable only if *as*
35 *long as* such Native American Indian Tribe ~~has entered into~~ *maintains in*
36 *force* a valid and binding agreement with an insurance carrier to provide
37 liability insurance coverage for damages assessed in state or federal court
38 and arising from the acts, errors or omissions of such tribal law enforce-
39 ment agency or officer while acting pursuant to this section. Such insur-
40 ance policy shall: (A) (1) Be in an amount not less than \$500,000 for any
41 one person and \$2,000,000 for any one occurrence for personal injury
42 and \$1,000,000 for any one occurrence for property damage ~~and shall;~~
43 (2) *be in an amount not less than \$2,000,000 aggregate loss limit; and (3)*

and waives its tribal immunity for any liability for damages arising from the acts, errors or omissions of such tribal law enforcement agency or officer while acting pursuant to this section