

MINUTES OF THE SENATE FEDERAL AND STATE AFFAIRS COMMITTEE

The meeting was called to order by Chairman Pete Brungardt at 10:45 a.m. on Tuesday, January 25, 2005, in Room 231-N of the Capitol.

Committee members absent: Senator Anthony Hensley (E)
Senator John Vratil (E)
Senator Ralph Ostmeyer (E)

Committee staff present: Athena Andaya, Kansas Legislative Research Department
Dennis Hodgins, Kansas Legislative Research Department
Mary Ann Torrence, Revisor of Statutes Office
Dee Woodson, Committee Secretary

Conferees appearing before the committee: Joan Wagon, Secretary, Department of Revenue
Tracy Diel, Executive Director, Kansas Racing and Gaming
Commission

Others attending: See attached list.

Chairman Brungardt called for bill introductions. Senator Brownlee asked for the introduction of a bill regarding the negotiation and approval of gaming compacts which would amend K.S.A. 46-2302. She said it would be rewriting a 2001 bill, HB 2224. Senator Brownlee said the proposed bill would have the approval of gaming compacts go to the Governor instead of the Legislative Coordinating Council, and the Governor could call a special session of the Legislature.

Senator Barnett moved to introduce the proposed bill, seconded by Senator Reitz, and the motion carried.

Terri Roberts, Executive Director, Kansas State Nurses Association (KSNA), requested the introduction of a bill to strengthen the Kansas Whistleblower Laws and Protections. The KSNA recommends the amendment of K.S.A. 75-2973 which would protect employees who disclose information related to agency operations or other matters of public concern to legislative Post audit or other state or federal oversight entities, as well as to legislators; cover all Kansas employees within the state; and add language to shift the burden of proof for alleged retaliation to the employer taking action within 90 days of a known report. KSNA also recommends the amendment of K.S.A. 65-4928:a. By also adding language which shifts the burden of proof to the employer for incidences of alleged retaliation.

Following questions and discussion, Senator Reitz moved to introduce the proposed bill, seconded by Senator Brownlee, and the motion carried.

Phillip Bradley, Executive Director, Kansas Licensed Beverage Association, asked for the introduction of a bill consisting of cleanup amendments to the K.S.A. 41-308b microbrewery law. The amendments were in regard to the addition of a microbrewery packaging and warehousing license, changing Sunday sales of packaged beer to be between the hours of 11:00 a.m. until 7:00 p.m. to parallel the current retail liquor store sales hours in many cities, and add to section 6, a new provision (e), similar to the farm winery statute, which would allow Kansas microbreweries to exhibit and sell at the Kansas State Fair certain types of beer by purchasing a temporary state license. The fourth requested change was to K.S.A. 41-310(e) which placed a \$50 annual fee for a microbrewery packaging and warehousing license. Mr. Bradley requested that farm wineries have the ability to exhibit at the State Fair, which would require them to get a temporary liquor license, and allow them to sell their Kansas homegrown product at the State Fair if they entered into a contract with the State Fair Board and abided by all the Board's rules.

Senator Barnett made a motion to introduce the requested bill, seconded by Senator Brownlee, and the motion carried.

Chairman Brungardt called upon Joan Wagon, Secretary of the Kansas Department of Revenue (KDOR), to give a general overview and briefing of the Department of Revenue. Secretary Wagon introduced staff personnel who were in attendance: Tom Groneman, Director of Alcoholic Beverage Control; Jim Conant, Director of Resources, and Dave Corbin, Special Assistant to the Secretary.

CONTINUATION SHEET

MINUTES OF THE Senate Federal and State Affairs Committee at 10:45 a.m. on Tuesday, January 25, 2005, in Room 231-N of the Capitol.

Secretary Wagnon reviewed the Agency Mission and Philosophy/Vision Statements. She distributed handouts, and talked about the four major divisions within her department. KDOR has approximately 1,200 employees with a \$75M budget, of which \$20M comes from the General Fund. Secretary Wagnon briefly reviewed the handouts which included Gross Total Collections and by Source, Collections by Distribution to Fund, State General fund Total Collections and by Source (Net of Refunds), Motor Fuel Tax Gross Collections, Statewide Assessed Property Values and Assessed Valuation by Property Type, Tax Years 2002 and 2003, Total Vehicle Revenue collections by Calendar Year, Gallonage Tax Receipts by Components and Fiscal Year, Liquor Excise Tax Gross Receipts, and a map of Kansas depicting the counties that have liquor-by-the-drink. She also spoke briefly about some legislative issues that are very important to her department. (Attachment 1)

Following Committee questions and discussion, the Chairman expressed the Committee's appreciation for the Secretary's general overview of KDOR.

Chairman Brungardt asked Tracy Diel to give an overview and update on the Kansas Racing and Gaming Commission (KRGK). He explained that the KRGK is made up of two agencies, the Commission and the Kansas State Gaming Agency (KSGA). He said the Commission provides logistical support to the KSGA and by statute is responsible for approving the KSGA's budget, personnel expansion, and arbitration authorization. All other management decisions relating to the KSGA are handled by its Executive Director.

Mr. Diel stated that Kansas has two greyhound racetracks that operate year round; the Woodlands in Kansas City, Kansas, and the Wichita Greyhound Park in Valley Center, Kansas. He said that during the spring and summer months, the Commission also oversees parimutuel horse racing at the Eureka Downs (Eureka, Kansas) county fair meet and parimutuel horse and greyhound racing at the Anthony downs (Anthony, Kansas) county fair meet. He referred to his written testimony, and said that the Commission's involvement in racing is basically to oversee all activities that occur at the racetrack facilities. Mr. Diel talked about the number of operating days at each track. He included in his handout a breakdown of the wagering dollars showing the percentage breakdown of each dollar wagered in Kansas. (Attachment 2)

Chairman Brungardt expressed appreciation for Mr. Diel's presentation.

Minutes for the January 18 meeting was presented for approval. Senator Brownlee moved to approve the minutes as written, seconded by Senator Reitz, and the motion carried.

The meeting was adjourned at 11:45 a.m. The next meeting is scheduled for January 26, 2005, at 10:30 a.m.