

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairperson Ron Ryckman at 9:00 am on Wednesday, March 16, 2016, 112-N of the Capitol.

All members were present

Committee staff present:

Kathy Holscher, Kansas Legislative Committee Assistant
David Fye, Legislative Research Department
Jennifer Ouellette, Legislative Research Department
Jill Wolters, Office of Revisor of Statutes
Daniel Yoza, Office of Revisor of Statutes
J.G. Scott, Legislative Research Department
Melinda Gaul, Administrative Assistant

Conferees appearing before the Committee:

Representative Barker
Dave Tolle, Race for Kansas
Art Hall, Greater Kansas Racing Alliance
Scott Beeler, Lathrop and Gage LLP
Christine Dorchak, Grey2K, USA
Eric Stafford, Kansas Chamber of Commerce
John Frieden, Kansas Star Casino
Carol Marinovech, Protect the Partnership
Whitney Damron, Kansas Entertainment, LLC
Bill Sneed, Hollywood Casino

Others in attendance:

No list available

Hearing on: HB2537 — Kansas expanded lottery act; racetrack gaming.

Chairman Ryckman called the meeting to order and opened the hearing on **HB 2537**.

Mike Heim, Office of the Revisor of Statutes, provided a briefing on the bill (att. 1). The bill requires registering agencies to make recommendations to the Kansas Racing and gaming Commission, for programs benefiting economic development; reduces the number of racing weeks; re-allots the distribution of net electronic gaming machine income; reduces the racing application fees for fair associations; changes simulcasting license criteria; amends the state debt set-off statutes; requires a vote in Sedgwick County for placing electronic gaming machines at the Wichita Greyhound Park; and establishes a Kansas horse council fund.

Representative Barker presented testimony as a proponent of the bill (Att. 2).

Dave Tolle presented testimony as a proponent of the bill (Att. 3).

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Dr. Art Hall, Greater Racing Alliance, presented testimony as a proponent of the bill (Att. 4).

Scott Beller, Lathrop & Gage LLP, presented testimony as a proponent of the bill (Att. 5).

Proponents of the bill responded to questions from committee members, Dr. Hall stated that the racetracks operations provide for the greatest impact, with revenue streams that flow to the rural counties. The state receives 22 percent from lottery machines, he noted. Discussion continued regarding economic development issues, competition within gaming communities and the Fair Fund.

Christina Dorchak, Grey2K USA, presented testimony as an opponent of the bill (Att. 6).

Eric Stafford, Kansas Chamber of Commerce, presented testimony as an opponent of the bill (Att. 7).

John Frieden, Kansas Star Casino, presented testimony as an opponent of the bill (Att. 8).

Carol Marinovech, Protect the Partnership, presented testimony as a opponent of the bill (Att. 9).

Whitney Damron, Kansas Entertainment, LLC, presented testimony as a opponent of the bill (Att. 10).

Bill Sneed, Hollywood Casino, Presented testimony as a opponent of the bill (Att. 11).

Opponents of the bill responded to questions from committee members. It was noted that a majority of the revenues are from electronic gaming machines, other expansions in the south central zone would have a detrimental effect. It was noted that approximately 90 percent of the gaming revenue is within a 50 mile radius of the Mulvane, Kansas casino. Discussion followed regarding the impact of the bill as related to contractual provisions, and refunds of all privilege fees for the four gaming facility management contracts. Mr. Sneed stated that Nascar will make the determination on whether there will be a second race scheduled at the Kansas Speedway.

Discussion continued by committee members regarding the impact of the bill, as related to increased employment opportunities with the potential opening of four race tracks, economic impacts within the gaming zones, and potential financial liability for breach of contract, and the hold harmless clause. Additional discussion was held regarding a declaratory judgement from the courts in regards to contractual violations.

Written testimony as a proponent of the bill was provided by Megan Kilgore, Kansas Veterinarian Medical Association (Att. 12).

Written testimony as opponents of the bill are listed as follows: Representative Kahrs (Att. 13) Bruce

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Christenson, Kansas Crossing (Attachment 14); Kathy Damron, Kansas City, Kansas Chamber of Commerce (Att. 15); Chris Reedy, Butler National Corporation (Att. 16).

Chairman Ryckman reviewed the agenda for the next committee meeting.

Meeting adjourned at: 10:30 a.m.

DRAFT