

MINUTES OF THE HOUSE FEDERAL AND STATE AFFAIRS COMMITTEE

The meeting was called to order by Chairman John Edmonds at 1:30 P.M. on March 31, 2006 in Room 313-S of the Capitol.

All members were present except:

Representative Don Dahl- excused
Representative Lance Kinzer- excused
Representative Judy Loganbill- excused
Representative Candy Ruff- excused
Representative Kenny Wilk- excused

Committee staff present:

Athena Andaya, Kansas Legislative Research Department
Dennis Hodgins, Kansas Legislative Research Department
Mary Torrence, Revisor of Statutes Office
Carol Doel, Committee Secretary

Conferees:

Doug Lawrence
Shelley Hensel
John Ballou
Pam Davis
Larry Waldrop
Ross Vogel
Brian Thompson
Carl Hill
Ed Hayes
Ed Redman
Dean Kelly
Glen Thompson
Ron Hein
Lana Oleen

Others attending:

See attached list

Chairman Edmonds opened the meeting for introduction of bills. Hearing none, the floor was opened for public hearing on **HB 3020** - Kansas expanded lottery act.

Doug Lawrence of the Kansas Greyhound Association provided testimony supporting **HB 3020**. Mr. Lawrence stated that the bill will revive the live racing industry in Kansas. Adding electronic gaming machines at the tracks will allow those facilities to compete against existing Missouri Riverboats, and tribal casinos in Oklahoma and Kansas. (Attachment 1) Mr. Lawrence also provided the sales tax revenues chart by county (Attachment 2)

Shelley Hansel of the Wellington Area Chamber of Commerce addressed the committee in favor of **HB 3020**. Ms. Hansel stressed the amount of gaming revenue that the State of Kansas is losing every day. The regions is exporting gaming dollars to outside gaming influences and in return the State of Kansas has to face the consequences, receiving none of the revenue. (Attachment 3)

John Ballou testified on behalf of the Ruffin Companies who are the owners of the Wichita Greyhound Park and the Fronenac Greyhound Park of Pittsburgh supporting **HB 3020**. (Attachment 4)

The Kansas Thoroughbred Association was represented by Pam Davis who presented testimony favoring the passage of **HB 3020**. They pointed out the tremendous impact that gaming at the race tracks will have on the agribusiness aspect of the race horse industry. (Attachment 5) Ms. Davis also provided copies of the population survey of the Kansas race horse industry. (Attachment 6)

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Managing Member, River Falls Gaming LLC, Larry Waldrop, presented testimony favoring **HB 3020**. Mr. Waldrop stated that his company and its partners are prepared to invest in excess of \$250 million dollars to develop a facility that will not only recapture dollars for the state that are currently being expended in adjoining states, but one that will attract visitors from throughout the Midwest and beyond. (Attachment 7)

Gary Hall from Kansas for Economic Growth addressed the committee favoring **HB 3020**. The Kansans for Economic Growth was established too help southeast Kansas locate a Destination Casino in that area. He stated that a tempered approach to expanded gambling could end the expanded gambling debate and give a desperately needed shot in the arm to the southeast Kansas economy. (Attachment 8)

Carl Hill, chief of staff of the Kansas Association of Public Employees (KAPE) testified proposing the passage of **HB 3020**. They believe that **HB 3020** would provide a solution to a meaningful retirement benefit package that is long overdue with the understanding that 25% of the net gaming revenue will be contributed to a retirement trust fund. (Attachment 9)

Ed Hayes, a retired deputy sheriff of Johnson County, supports the passage of **HB 3020**. He feels that the passage of this bill would better his retirement benefits. (Attachment 10)

Dean Kelly, a Topeka resident, supports **HB 3020** because it provides needed dollars for the retirement system and it provides dollars for Kansas schools. (Attachment 11)

Written testimony supporting **HB 3020** was provided by Paul Treadwell, President of the Kansas Quarter Horse Racing Association (KQHRA) (Attachment 12), Mary Cochran (Attachment 13), Dee Stuart, Mayor of Park City (Attachment 14), Larry Seckington, Legal Counsel for Kansas Racing, L.L.C. (Attachment 15), and Herbert Hickman (Attachment 16).

There were no other proponents for **HB 3020** and the Chairman opened the floor to the opponents.

Glenn Thompson, Executive Director, Stand Up for Kansas which is a state-wide coalition of grassroots citizens who oppose the expansion of gambling in Kansas. Their testimony presented their opinions as to the reasons **HB 3020** should not be passed. In their conclusion the stated that **HB 3020** is clearly bad public policy. (Attachment 17)

Ron Hein presented testimony opposing **HB 3020** on behalf of the Kansas Tribal Economic Prairie Band Potawatomi Nation (PBPN). It is their opinion that in estimating revenue benefits to the state of Kansas from gaming, the committee should take into consideration the impact on Lottery revenues, bingo revenues, the impact on charities running bingo operations and the impact on tax revenue and economic benefits of other businesses in the state who will lose business to the expansion of gaming. Also the studies show that the economy of their Tribes will be seriously impacted by expanded gaming. (Attachment 18)

Lanna Oleen, Spokesperson for Kansas Tribal Economic Development Assn. (KTEDA) opposing **HB 3020** presented seven points to ponder in expanded gaming. (Attachment 19)

David Owens represents Homeless Come Home and opposes **HB 3020** which would expand gambling in the State of Kansas. Mr. Owens stated that he felt that expanded gambling would have an impact on the homeless of Kansas. (No Written Testimony)

With no other person wishing to address the bill, Chairman Edmonds closed the public hearing on **HB 3020**.

Chairman Edmonds directed the committees' attention to **SB 486** - Governor's task force on racial profiling extended to 2012.

Representative Burroughs made a conceptual motion to **SB 486** to extend the date to July 1, 2009. Representative Kelsey seconded the motion. Vote was taken and the bill amended.

The Chair entertained a motion to reflect Senator Betts' wish to change the language in line 37, page 1 of

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of **SB 486** to read “two consecutive terms” rather than “two terms in a lifetime.”

Representative Brunk made the motion to change the language in line 37, page 1 of **SB 486** to read two consecutive terms. Representative Siegfried seconded the motion. Vote was taken, bill was amended.

Representative Burroughs moved the **SB 486** be passed out favorably as amended. Seconded by Representative Miller. Vote was taken, bill was moved.

Chairman Edmonds requested a motion to adopt the committee minutes of March 20th, 21st, 23rd, and 29th.

Representative Siegfried moved that the committee minutes of March 20th, 21st, 23rd, and 29th be adopted. Representative Burroughs seconded the motion. Minutes were adopted.

With no further business before the committee, Chairman Edmonds adjourned the meeting.