

MINUTES OF THE SENATE FEDERAL AND STATE AFFAIRS COMMITTEE.

The meeting was called to order by Chairperson Senator Nancey Harrington at 10:30 a.m. on February 14, 2001 in Room 245-N of the Capitol.

All members were present.

Committee staff present: Russell Mills, Legislative Research Department
Dennis Hodgins, Legislative Research Department
Theresa Kiernan, Office of the Revisor
Nikki Kraus, Committee Secretary

Conferees appearing before the committee: Senator Jim Barone
Glen Thompson, Executive Director, Stand Up for Kansas
Dwight Daniels, Kansas Thoroughbred Association
Kevin Neuman
Jim Edwards, Kansas Chamber of Commerce and Industry
Charles Robinson, Pastor, First Congregational Church,
Sabetha, KS
David Segraves, Wichita State Student Body President
Rebecca Rice, Kansas Clubs and Associates
Jim DeHoff, Kansas AFL-CIO
Bob Johannas, Kansas Bowling Properties
Greg Youatt, Student Body President, Washburn University
Jake Worcester, K-State Student Body

Others attending: See Attached List

Chairman Harrington continued the hearing on:

SB 156—Concerning racing and gaming; electronic gaming machines

Senator Jim Barone presented testimony in favor of the bill. (Attachment 1).

Russell Mills, Legislative Research Department, presented an explanation of the education portion of the bill and spending on education in other states. (Attachment 2).

Chairman Harrington stated that information had been provided to her which showed that in California, gambling funds which were targeted for education, were distributed so that seven cents for every dollar went toward most counties, but in poorer counties, it might be as low as two cents, so the distribution was unequal.

Glen Thompson, Executive Director, Stand Up for Kansas, presented testimony in opposition to the bill and expansion of gambling. (Attachment 3).

Dwight Daniels, Kansas Thoroughbred Association, presented testimony in favor of the bill. (Attachment 4). He stated that in a conversation with some people at a diner, they said that they would rather vote yes for slots than for an increase in their taxes. He stated that this bill would help agricultural areas because there is a great deal of money involved in racing and breeding.

Chairman Harrington called on Tracey Diel, Acting Director, Racing and Gaming Commission, to explain further about the conflicts in the past between the various racing parties over the introduction of slots to the tracks. Chairman Harrington stated that in the past that there had been a complaint at the Woodlands that there were some opposed to slot expansion and that now they are no longer able to maintain stalls for their horses

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at the Woodlands. Mr. Diel stated that this issue arose last September at the Racing and Gaming Commission. He stated that his predecessor was asked if there was a requirement in Kansas regulations for track owners to give stalls on the premises to people who wanted to race or if it could be the track owners' decision because they were running short on stalls. Management stated that some individuals would not get stalls, however, the majority of those who were not offered stalls were those who had connections to those who did not want slots. The Commission resolved this so that they can race at the Woodlands, but they do not have stalls.

Kevin Neuman presented testimony in opposition to the bill. ([Attachment 5](#)). He stated that the racetracks should not be artificially supported, and that this was not an example of economic development, as was the development of the new NASCAR track.

Jim Edwards presented testimony in favor of the bill. ([Attachment 6](#)). He also presented a chart in favor of the bill. ([Attachment 7](#)).

Chairman Harrington stated that she noticed that on one part of the handout, Bruce Turner was listed as an affiliate and that he was also connected with the company GTECH, which ran the online gaming for the Kansas lottery. Mr. Edwards stated that he was not aware of that, but he hoped to get slots at the tracks.

Charles Robinson, Pastor, First Congregational Church, presented testimony in opposition to the bill. ([Attachment 8](#)).

David Seagraves, Wichita Student Body President, presented testimony in favor of the bill. ([Attachment 9](#)). He also presented a document showing the support of others at the university. ([Attachment 10](#)).

Rebecca Rice, Kansas Clubs and Associates, presented testimony as an opponent of the bill. ([Attachment 11](#)). She stated that she was an opponent because slots would hurt the new shopping mall and NASCAR track which are scheduled to be built in the same area. She stated that slots leech off of other businesses and hurt them. Included in her testimony was the article "*Cabela's, Neb. Furniture Mart expand to KCK area*" February 10, 2001, *The Topeka Capital-Journal*, Section B.

Jim DeHoff, Kansas AFL-CIO, presented testimony in favor of the bill. ([Attachment 12](#)).

Bob Johannes, Kansas Bowling Properties, presented testimony in opposition to the bill. ([Attachment 13](#)).

Greg Youatt, Student Body President, Washburn University, presented testimony in favor of the bill. ([Attachment 14](#)).

In response to questions from Senator Gilstrap, Kevin Neuman stated that he was a private citizen who was not being paid to lobby in opposition to the bill and that he worked for a healthcare distribution company in Overland Park. He stated that he thought that slot machines are not good and that he believed that he would be opposed to slots in other places as well as in parimutuel facilities.

Senator Gilstrap then stated that Glenn Thompson had said in his testimony that people were not for slots back in 1996 but that in a non-binding vote in Wyandott county in 1997, the results had been 85% to 15% in favor of allowing gaming in Wyandott County. Senator Gilstrap asked Mr. Thompson if he thought that was a good sample for the whole state, and Mr. Thompson said no. Senator Gilstrap then asked Mr. Thompson how many states were in the casino business, and Mr. Thompson replied that he had no idea. Senator Gilstrap asked Senator Steineger if Mr. Thompson's percentages were accurate in his testimony, and Senator Steineger stated that when that bill was drafted, the percentages would have been the same as in Missouri for the state and county, and that means 18% for the state and 2% for the host county, so he was not sure from where Mr. Thompson's numbers came.

Jake Worcester, K-State Student Body, presented testimony in favor of the bill. ([Attachment 15](#)). He stated that, like the other students who had spoken, he supported the bill because of the money from it which would go toward technology advancements in schools and universities.

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Senator Gooch asked the three students what they thought about gambling in relation to the bill. Mr. Worcester stated that he did not care about gambling itself, but that he was interested in funding for technology. Mr. Youatt stated that he did not have an objection to gambling but more to alcohol and was also interested in technology investment. Mr. Seagraves stated that credit card spending was much more of a problem for students than gambling, but if the government of Kansas hoped for economic development, then it would be necessary to increase that technology available in education and thereby to industry.

The meeting adjourned at 12:03 p.m. The next meeting is scheduled for 10:30 a.m., February 15, 2001.