

MINUTES OF THE HOUSE FEDERAL AND STATE AFFAIRS COMMITTEE

The meeting was called to order by Chairman Melvin Neufeld at 1:30 p.m. on March 10, 2009, in Room 143-N of the Capitol.

All members were present except:

Representative Steve Huebert- excused
Representative Melvin Neufeld- excused
Representative Mike Peterson- excused

Committee staff present:

Mike Heim, Office of the Revisor of Statutes
Jason Long, Office of the Revisor of Statutes
Julian Efird, Kansas Legislative Research Department
Dennis Hodgins, Kansas Legislative Research Department
Nikki Feuerborn, Committee Assistant

Conferees appearing before the Committee:

Ed Van Petten, Executive Director, Kansas Lottery
Keith Kocher, Director, Gaming Facilities of the Kansas Lottery

Others attending:

See attached list.

Attachments

Ed Van Petten, Executive Director, Kansas Lottery (Attachment 1)
Keith Kocher, Director, Gaming Facilities of the Kansas Lottery

In the absence of Chairman Neufeld, Vice-Chairman Kiegerl brought the meeting to order. There were no bill introductions.

Representative Grant moved for the approval of the minutes of February 25, February 26, March 2, and March 4, 2009. Motion was seconded by Representative Olson. Motion carried.

Mr. Ed Van Petten, Executive Director of the Kansas Lottery, presented an update on lottery sales which are currently showing a decided decrease (Attachment 1). This lack of sales is contributed to the loss of 50 retailers which have gone out of business and the downturn in the economy. Massachusetts has experienced a downturn of more than 15% while Kansas is currently showing one of the least decreases. The majority of lottery ticket purchasers in Kansas (54%) appear to be from families with net incomes of more than \$80,000 per year.

Mr. Keith Kocher, Director of Gaming Facilities of the Kansas Lottery, included his testimony in Attachment 1). Statistics show that smoking bans in casinos reduces the revenue by ten to twenty percent. A state-wide smoking ban would be considered a deterrent for casino developers considering Kansas for a location. Should the proposed state-wide smoking ban go into effect July 1, 2009, the casino in Dodge City would be required to be smoke-free.

Applicants for a casino in Northeast Kansas have withdrawn their application due to a downturn in the economy and the unavailability of low-interest loans. In answer to why Mulvane is being considered for a casino site, Mr. Kocher informed the Committee that the City of Mulvane had issued a letter of endorsement after they annexed adjoining areas to the city.

The next meeting is scheduled for March 11, 2009.

The meeting was adjourned at 2:07 p.m.