

MINUTES OF THE HOUSE FEDERAL AND STATE AFFAIRS COMMITTEE

The meeting was called to order by Chairman Arlen Siegfried at 1:30 P.M. on March 21, 2007 in Room 313-S of the Capitol.

All members were present.

Committee staff present:

Kathie Sparks, Kansas Legislative Research Department  
Dennis Hodgins, Kansas Legislative Research Department  
Mike Heim, Revisor of Statutes Office  
Carol Doel, Committee Assistant

Conferees:

Ed Van Petten, Executive Director, Kansas Lottery  
Ron Hein, Prairie Band Potawatomi Nation  
Glenn Thompson, Stand Up for Kansas  
Lana Oleen, Prairie Band Potawatomi Nation

Others attending:

See attached list

The Chairman announced the continuation of the hearing on **HB 2478** - concerning the problem gambling grant fund was canceled. The testimony by Ray Dalton, Deputy Secretary of Social Rehabilitation Services, submitted on March 20<sup>th</sup> was considered as written.

The Chair opened the meeting for bill introductions, hearing none, the Chair opened the floor for public hearing on **SB 66** - Concerning the lottery; amending K.S.A. 74-8705 and 74-8708 and repealing existing sections.

Ed Van Petten, Executive Director, Kansas Lottery was recognized to give testimony in favor of **SB 66**. Mr. Van Petten related that they have three proposals. Proposal (1 eliminates the sunset provision altogether. Proposal (2 is to remove a clause that prohibits them from renewing any contracts. Proposal (3 gets rid of the requirements of the retailers certificates. (Attachment 1)

There was no other person who wished to speak to **SB 66** and the Chairman closed the hearing.

The Chair opened the floor for public hearing on **HCR 5022** - Authorizing privately-owned and operated destination casino locations.

Mike Heim, Office of the Revisor, gave an explanation of **HCR 5022** which would amend Article 15, Section 3c of the Constitution. The purpose is to allow privately owned casinos and destination casinos.

There were no proponents to **HCR 5022** and the Chair recognized Ron Hein who represents the Prairie Band Potawatomi Nation as an opponent. Mr. Hein stated that he has four main objections as to why he doesn't think this legislation goes far enough.

- 1) It allows an unlimited number of convenience casinos
- 2) Feasibility studies
- 3) Restraints on casino owners and operators
4. Experience

Mr. Hein explained his reasons in his testimony. (Attachment 2)

Glenn Thompson, Executive Director, Stand Up For Kansas, presented testimony in opposition to **HCR 5022**. Mr. Thompson states that he opposes the expansion of gambling in Kansas. He voiced the opinion that the legal wording of a constitutional amendment is extremely important because of the legal ramifications. He stated that if a bill contains legal flaws or deficiencies, the bill can be revised in the next legislative session to incorporate corrections, but not so with constitutional amendments. (Attachment 3)

CONTINUATION SHEET

MINUTES OF THE House Federal and State Affairs Committee at 1:30 P.M. on March 21, 2007 in Room 313-S of the Capitol.

No other person wished to address the bill, and the Chair closed the hearing on **HCR 5022**.

Chairman Siegfroid opened the floor for public hearing on **HCR 5023** - Kansas commission on expanded gaming; membership; scope of study and **HB 2588** - Commission on expanded gaming; membership; scope of study. The Chair requested an explanation which was given by Mike Heim, Office of the Revisor stating that **HCR 5023** is not amendable and cannot be used as a vehicle, however, **HB 2588** can be used as a vehicle to create a commission or it can be used as a vehicle to create a casino.

Representative Terrie Huntington addressed the Committee as the author and proponent of **HCR 5023**. The bill would provide a feasibility study by an oversight committee. The Representative gives the opinion that additional study might be prudent. (No Written Testimony) Representative Huntington also provided an article entitled *Will Kansas Take A Chance In 2007*. (Attachment 4)

Glenn Thompson representing Stand Up For Kansas came before the committee to support **HCR 5023** relating that the organization opposes expanded gambling in Kansas, however, they are in favor of adding a task to study the impact of problem gamblers. (Attachment 5) Mr. Thompson also submitted articles *Social Cost One-Half Of Casino Revenue* for Committee review (Attachment 6), and *HB 2055 Would Destroy destination Casinos*. (Attachment 7)

Lana Oleen, representing the Prairie Band Potawatomi Nation, presented observations of **HCR 5023**. Ms. Oleen spoke on light versus dark, constitutionality vs. non-constitutionality, study approach vs. sneak approach, and impact vs. impulse. (Attachment 8)

With no other person wishing to speak to **HCR 5023**, Chairman Siegfroid closed the hearing.

The Chairman directed the Committees' attention to **SB 66** - Lottery; repeal of sunset; contract renewals; retailer requirements.

Representative Huebert made a motion to pass SB 66 favorable for passage with a second by Representative Peterson.

Representative Swenson made a motion to amend HB 2055 into SB 66. Representative Dillmore made a second. Motion failed.

Returning to the motion by Representative Huebert, vote was taken and SB 66 was moved favorable for passage.

The Chair opened the floor for action on **HCR 5022** - Authorizing privately-owned and operated destination casino locations.

Representative Swenson moved to table HCR 5022 with a second by Representative Peterson. Motion passed.

Chairman Siegfroid opened the floor for consideration of **HCR 5023** - Kansas commission on expanded gaming; membership; scope of study.

Representative Swenson made a motion to table HCR 5023. Representative Peterson seconded the motion. Motion failed.

Representative Mah made a motion to strike lines 29 through 31 of HCR 5023 and make the commission purely legislative. Lines 36 through 41 of the bill will also be deleted. Representative Peterson made a second to the motion. Motion passed.

Representative McCray-Miller moved an amendment to include a study of problem gaming, the impact, and associated costs. This was seconded by Representative Huebert. Vote not taken as this was already included in HCR 5023.

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Representative Kinzer made a motion to table **HCR 5023** as amended with a second by Representative Olson. Motion passed.

Chairman Siegfroid opened the floor for consideration of **HB 2588** - Commission on expanded gaming; membership; scope of study.

Representative Mah made a motion to amend **HB 2588** stating the commission expires at the end of 2007 and they have to make a recommendation to the legislature by December 31, 2007. Representative Swenson made a second to the motion. Motion passed.

Representative McCray-Miller made a motion to add a study of adverse problems to **HB 2588** with a second by Representative Huebert. Motion passed.

Representative Dillmore moved that **HB 2588** be sent to the Register as soon as possible with a second by Representative Peterson. Motion passed.

Representative Miller moved **HB 2588** favorable for passage as amended. Representative Peterson made a second to the motion. Motion passed.

With no further business before the Committee, the Chair adjourned the meeting.