

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 12, 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

Others attending: See Attached List

Chairman Harrington opened the meeting by introducing Senator Dwayne Umbarger who asked for the introduction of a bill which dealt with retailer tax in Coffeyville.

Senator Brungardt made a motion to introduce the bill. Senator Lyon seconded that motion. The motion passed.

Senator Barnett requested introduction of two bills. The first was to raise the tax on alcohol approximately fifty cents per six-pack in an effort to raise money for K-12 education. The second regarded an effort to reduce underage drinking by requiring beer keg registration.

Senator Lyon made a motion to introduce the first bill. Senator Teichman seconded that motion. The motion passed.

Senator Lyon made a motion to introduce the second bill. Senator Teichman seconded that motion. The motion passed.

Chairman Harrington opened the hearing on:

HB 2038—Extension of the Kansas Lottery until 2008

Chairman Harrington instructed the committee to read the article *Airport's Passenger Rate Falls*, Wichita Eagle, February 6, 2001. The article discussed the fact that, "For the past four years in a row, the number of people flying in and out of Wichita Mid-Continent Airport had declined. The number of daily flights is also down."

Chairman Harrington asked the committee for additional amendments to the bill.

Senator Vratil stated that he was concerned that **HB 2038** was not going to come out a clean bill. He stated that he felt that Rep. Mayans' proposal was one of purely economic development and that it should not be attached to the lottery bill. He stated that he was also concerned with adding amendments to deal with keno games and using credit cards to buy tickets.

Senator Vratil stated that he would like to offer an amendment to remove sections 2-10 of the lottery bill and restore the bill leaving only section one of the bill.

Senator Gooch stated that he was concerned that there was not going to be any discussion of each section.

Senator Barnett stated that he had been concerned with the renewal of the lottery all along because of all of the attached amendments. Senator O'Connor stated that she shared that concern. She stated that she felt that the airport amendment was economic development.

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Senator Lyon stated that he wanted to echo Senator Barnett's concerns and that the amendments muddied the waters of lottery renewal. He stated that the committee needed to address the lottery itself more and the state's role in funding it. Senator Lyon stated that the committee had heard a great deal about all of the good uses for lottery money, but not about the lottery itself.

Senator Gooch stated that in discussion of the lottery, it was important to discuss all aspects of it as to what and how it exists. He stated that if the committee was going to strip the lottery bill of how things will be funded and so on that it was pointless to vote for the lottery because those things should be discussed. He stated that the amendments will effect what will happen to the money from the lottery.

Senator Vratil stated that he respectfully disagreed with Senator Gooch. He stated that the lottery's continuation was what needed to be determined and how the lottery proceeds is a separate issue, although some people may have different motivations for wanting economic developments attached to the bill.

Senator Gooch stated that people want to play the lottery, but they also want to know where the money from the lottery is going to go.

Senator Teichman stated that she supported Senator Vratil's proposal because she was concerned that by allowing all of the additional things in bill, they would set an undesirable precedent.

In response to a question from Senator Brungardt, Chairman Harrington stated that if **HB 2038** was being gutted, then it would be better to work **SB 22** so that the House would not be put in an awkward position.

Senator Vratil stated that he wanted to withdraw his amendment if the committee wanted to shift its attention to the senate bill.

Senator O'Connor stated that if the senate bill went out of the committee, it would be sent to a House committee to be reworked.

After discussion, Chairman Harrington asked Senator Vratil if he wanted to withdraw his amendment to **HB 2038**. Senator Vratil stated that he wanted to withdraw his amendment with the understanding that the committee would be discussing **SB 22**.

Following an explanation from staff of lottery fund distribution, Senator Gooch stated that he wanted to make an amendment to the lottery bill which would dedicate \$2.5 million to spread out equally in each legislator's district, 75% to Senators and 25% to House members. He stated that the people who support the lottery do not mind that the majority of the money from it goes to the top end to help businesses, but that he felt that some money should go from the bottom up, not always from the top down. Senator Gooch stated that this was a non-partisan bill and that it alluded to something that would benefit everyone.

Senator Gooch moved to introduce the amendment. Senator Gilstrap seconded the motion. The motion was opened for discussion. Senator Teichman stated that this was also an economic development situation which should be introduced as a separate bill, and Senator Vratil agreed. The committee voted not to adopt the amendment.

Senator Gooch moved to introduce the amendment as a separate bill. Senator Gilstrap seconded the motion. The motion passed.

Chairman Harrington stated that she had a conceptual amendment which she felt that the Senate could accept with regard to Rep. Mayan's airport amendment. She stated that there would be a \$100,000 appropriation for 2002 which would go through the Appropriations committee for approval to conduct a study and create a proposal for air travel growth in the state of Kansas for any airport with commercial traffic. She stated that in 2003, \$2.5 million would be matched by a 2:1 ratio, locals to state, in an effort to improve air travel.

Senator Vratil stated that this money would only benefit the Wichita airport; Chairman Harrington stated that the amendment would put the money toward any airport with commercial service.

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Senator Vratil again stated that this money would benefit only the Wichita area and questioned why the city would be willing to invest money for a study if it was not to benefit the city.

Senator Gooch stated that the study is to help all airports in Kansas; the study money is just from Wichita.

Chairman Harrington stated that Wichita is the Kansas airport and that the money would help the city and the surrounding area obviously, but that it was also a benefit to the entire state in order to bring in business and drive down the costs of air travel to that area so that those businesses would stay and grow.

Senator Vratil stated that the only two airports mentioned in a newspaper article referenced by Chairman Harrington were Kansas City International Airport and Wichita airport. Chairman Harrington asked Senator Vratil if he was advocating for Missouri.

After further discussion, Senator Gooch stated that this project would help the entire state of Kansas.

Chairman Harrington made a motion to approve the amendment. Senator Gooch seconded the motion. Senator O'Connor stated that she would vote against the amendment because she felt that it should be a separate bill. Senator Barnett stated that he would vote against the amendment also because he wanted a clean lottery bill.

Senator Vratil called Chairman Harrington's amendment to question. Votes for the amendment included: Chairman Harrington, and Senators Gooch and Gilstrap. Votes against the amendment included: Senators Vratil, O'Connor, Brungardt, Lyon, Teichman, and Bamett. The amendment did not pass.

Senator O'Connor moved to introduce Chairman Harrington's conceptual amendment as a separate bill. Senator Barnett seconded the motion. The motion passed.

Senator Brungardt moved to introduce Representative Mayans' amendment as a separate bill. Senator Vratil seconded the motion. The motion passed.

Senator Vratil moved to amend **SB 34** into **SB 22**. Senator Barnett seconded the motion. The motion passed.

Senator Vratil moved to recommend **SB 22**, as amended, favorably for passage. Senator Teichman seconded the motion. The motion passed.

Senator Gilstrap stated that line 19 of **SB 22** should be changed from 2007 to 2005.

Chairman Harrington asked Senator Vratil if he would like to withdraw his motion, and he said no.

Chairman Harrington stated that **HB 2109—Concerning lotteries and lottery machines** was heard in committee and passed out to be amended into the House lottery bill and was now below the line on the House side. She stated that Senator Lyon had expressed support for **HB 2109**, the portion of **HB 2038** not dealing with the airport, but the content of the House amendment that dealt with restrictions on the lottery.

Senator Lyon moved to introduce the contents of **HB 2109** as a separate bill. Senator O'Connor seconded the motion. The motion passed.

Senator Gilstrap stated that he had two bills to introduce. He stated that the first dealt with health care providers, and the second dealt with repealing partial birth abortion.

Senator Gilstrap moved to introduce both bills. Senator O'Connor seconded both bills. The motions passed.

Senator Teichman moved to approve the minutes. Senator Vratil seconded the motion. The minutes were approved.

The meeting was adjourned at 12:00 p.m. The next meeting is scheduled for 10:30 a.m. on February 13, 2001.