

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 13, 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 Chris Steineger  
Dr. Jim Smart, President, KS Grayhound Association  
Don Denney, Unified Government of Wyandott County,  
Kansas City, KS  
Dwayne Bird, President, KS Quarter Horse Racing  
Association, Great Bend, KS  
Cindy Cash, President, Kansas City, KS Chamber of  
Commerce  
Charles Yunker, American Legion

Others attending: See Attached List

Chairman Harrington opened the meeting by asking the committee for bill introductions.

Senator Barnett stated that he would like to introduce a bill for state public employee salary enhancements through a cigarette and tobacco tax.

Senator Teichman moved to introduce the bill. Senator Brungardt seconded the motion. The motion passed.

Senator Gilstrap stated that he wanted to introduce a bill for Kansas freedom of choice for long-term care services and support.

Senator Vratil made a motion to introduce the bill. Senator Barnett seconded that motion. The motion passed.

Senator Vratil made a motion to amend **HB 2038—Extension of the Kansas Lottery until 2008** to delete all but section one of the bill and to amend **SB 34** into **HB 2038**. Senator Brungardt seconded the motion. The motion to amend passed.

Senator Vratil made a motion to pass **HB 2038**, as amended, favorably to the entire Senate. Senator Brungardt seconded the motion. The motion passed.

Theresa Kiernan, Office of the Revisor of Statutes, then presented a brief explanation of **SB 156—Concerning racing and gaming; electronic gaming machines** to the committee. (Attachment 1). Staff also provided a memorandum entitled "State General Fund (SGF) Receipts July through January, FY 2001". (Attachment 2).

Chairman Harrington opened the hearing on:

**SB 156—Concerning racing and gaming; electronic gaming machines**

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Chairman Harrington introduced Senator Chris Steineger, who presented testimony as a proponent of the bill. (Attachment 3). Senator Steineger presented a map of the United States in support of the bill, illustrating which states allowed which forms of gambling. (Attachment 4).

Senator Adkins presented a document from Legislative Post Audit concerning the budget dealing with **SB 156**. (Attachment 5).

Chairman Harrington opened the meeting for questions. Senator O'Connor stated that she had three questions for Senator Steineger. In response to her questions, Sen. Steineger stated that the telephone survey was based on 300-400 people, that he did not know what time of day it had been conducted, and that the term "informed decision" was one of the phrases among questions that were designed to be as neutral as possible.

Senator Barnett asked exactly how many dollars in Kansas were going toward gambling and where they filtered down. Senator Steineger stated that \$50 million a year could come from all three tracks, but that was a conservative figure because some say \$100 million in tax revenue to the state. He stated that the first \$25 million goes toward education technology and the rest goes to EDIF. In response to further questions from Senator Barnett, Senator Steineger stated that the gross revenue of the tracks was divided 70% to the track owners, 18% to the state, 2% to horse and dog groups, and the rest among others. He stated that the state of Kansas receives a percentage of the earnings, so it is not automatically guaranteed \$50 million.

Senator Barnett asked if Missouri spends more money on schools than Kansas, and Senator Steineger stated that the money in Kansas goes to a great variety of programs. In reply to Chairman Harrington, Senator Steineger also stated that Thoroughbred, Quarter Horse, Grayhound, and Kennel members had all come to agreement concerning **SB 156** over the past summer.

Charles Yunker, American Legion, presented testimony in opposition to **SB 156**. (Attachment 6).

Dr. Jim Smart, President, Kansas Grayhound Assn., presented testimony as a proponent of **SB 156**. (Attachment 7). In response to questions from Senator Barnett regarding a comment in his testimony about limited gambling dollars in Kansas, Dr. Smart stated that he did not know how many dollars were being spent in Kansas compared to other states.

Don Denny, Unified Government of Wyandott County/Kansas City, KS, presented testimony in favor of **SB 156**. (Attachment 8). Chairman Harrington asked Mr. Denny if he would want slots at other places, and Mr. Denny replied that he wanted them primarily at the Woodlands.

Dwayne Bird, Kansas Quarter Horse Racing Assn., presented testimony in favor of **SB 156**. (Attachment 9).

Cindy Cash, President, Kansas City, KS Chamber of Commerce, presented testimony in favor of **SB 156**. (Attachment 10).

Senator Gilstrap asked Mr. Denny if the people who would go to a Winston Cup race at the new NASCAR track would be Kansans or people from outside the state, and Mr. Denny replied that industry people said that 28% would be from within Kansas and the rest would be from outside the state.

Chairman Harrington asked for further questions, and there were none. She stated that the hearing on **SB 156** would be continued tomorrow.

The meeting adjourned at 11:45 a.m. The next meeting is scheduled for 10:30 a.m. on February 14, 2001.