

MINUTES OF THE HOUSE FEDERAL AND STATE AFFAIRS COMMITTEE

The meeting was called to order by Chairman Arlen Siegfroid at 1:30 P.M. on March 9, 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:

Richard Van Petten, Executive Director of the Kansas Lottery
Richard Cram, Director of Policy & Research Kansas Department of Revenue
John McElroy, Executive Director Kansas State Gaming Agency
Stephen Martino, Executive Director, Kansas Racing and Gaming Commission

Chairman Siegfroid opened the floor for bill introductions. There were none.

The Chair introduced Kathie Sparks of Legislative Research who presented a history of gaming in Kansas. Kathie's presentation covered the Kansas Lottery, parimutuel wagering, charitable bingo, and Indian casino gaming. Her information covered the powers and duties, conflicts of interest, prohibited acts and penalties, restrictions and suspension of license. ([Attachment 1](#))

Mr. Ed Van Petten, Executive Director of the Kansas Lottery, came before the committee with the history of gaming in Kansas. Mr. Van Petten related that gaming has been a public issue in Kansas since the state's founding. In 1859 the framers of the Kansas Constitution made it clear that they did not want gaming in Kansas. For many years, the courts interpreted the ban on lotteries broadly to prohibit nearly all forms of gaming. In 1971 the Legislature again attempted to legalize gaming without a constitutional amendment when it created, by statute, a "bingo" exception to the legal definition of gambling. In 1986 voters passed two constitutional amendments which allowed the Legislature to permit, regulate, license, and tax parimutuel wagering in horse and dog racing facilities. The second authorized the Legislature to provide for a state-owned and operated lottery. In 1987 Legislature passed legislation that established the Kansas Racing and Gaming Commission. Mr. Van Petten stated that the Kansas Lottery Act was passed during the 1987 session of the Kansas Legislature. ([Attachment 2](#))

Steve Martino, Executive Director, Kansas Racing and Gaming Commission presented information to the Committee on parimutuel wagering. The Kansas City track has both horse and dog racing while Wichita has only dog racing. Both tracks began operation in September 1989. The Kansas Racing and Gaming Commission exercises regulatory and enforcement responsibilities over licensees that conduct horse or greyhound races. ([Attachment 3](#))

John McElroy, Executive Director, Kansas State Gaming Agency appeared before the committee to describe the budget and activities of the agency. In 1995, the Iowa Tribe of Kansas and Nebraska, the Prairie Band Potawatomi Nation of Kansas, the Kickapoo Tribe, and the Sac and Fox Nation of Missouri in Kansas and Nebraska each signed a Tribal State Compact with the State of Kansas. By 1998, each had opened its own casino in Kansas. The Kansas State Gaming Agency is responsible for conducting background investigations on all employees connected with the gaming operations at each casino. ([Attachment 4](#))

Richard Cram, Director of Policy & Research, Kansas Department of Revenue, presented the history of bingo stating that in 1974 the Kansas Legislature overwhelmingly passed Senate Concurrent Resolution No. 72 authorizing a vote of the people on the issue of whether to amend the Kansas Constitution to permit bingo for charitable purposes, and it was approved. In 1975 the Legislature passed **Senate Bill 116**, which defined bingo and adopted restrictions on how, when and where bingo games could be conducted. The Legislature passed **House Bill 2013** in the 2000 session which made major changes to the bingo statutes. Mr. Cram also spoke on the revenue and the enforcement. ([Attachment 5](#))

With no other business before the committee, the Chairman adjourned the meeting.

CONTINUATION SHEET

MINUTES OF THE House Federal and State Affairs Committee at 1:30 P.M. on March 8, 2007 in Room 313-S of the Capitol.