

MINUTES OF THE HOUSE TOURISM COMMITTEE.

The meeting was called to order by Chairperson Carol E. Beggs at 3:30 p.m. on February 20, 2002 in Room 243-N of the Capitol.

All members were present

Committee staff present: Hank Avila, Research Department  
Russell Mills, Research Department  
Bob Nugent, Revisor of Statutes  
Carol Doel, Committee Secretary

Conferees appearing before the committee:

Proponents: Rep. Shari Weber, House Majority Leader  
Rep. R.J. Wilson  
Ted Hayes, Kansas Sports Hall of Fame  
Otto Schnellbacher, Inductee, Hall of Fame  
John Pinegar, Washburn University  
Senator Chris Steineger

Opponents: Rebecca Rice, Kansas Clubs and Associates  
Steve Ortiz, Prairie Band Pottawatomie Nation Tribal Council  
Ron Hein, Pottawatomie Band Tribal Council  
Rep. Hainey, Bowling Proprietors Assn.

Others attending: See Attached List

**Hearing on HB 2896**

Appearing before the committee as a proponent for **HB 2896** was Ted Hayes, Executive Director of the Kansas Hall of Fame. The Kansas All-Sports Hall of Fame was founded in 1961 with a mission to “honor those individuals whose achievements in sports have brought pride and distinction to themselves, their communities and the entire state of Kansas”. The Hall of Fame started out as a temporary display at the Topeka Fairgrounds and in 1972 was moved to the Watkins Museum in Lawrence. In 1989 it was voted to expand the museum and after reviewing proposals from several Kansas communities, the Trustees selected Abilene as the permanent site. The Hall of Fame houses a museum composed of plaques, trophies, uniforms, photographs and biographical material. (Attachment 1)

Next to appear before the committee as a proponent for **HB 2896** was House Majority Leader, Representative Shari Weber. Representative Weber stated that this legislation would add a women’s sport and mandate that all institutions participate. During the 1997 session of the Kansas Legislature, **SB 370** was introduced. During the hearings on **SB 370**, the Hall of Fame was asked to meet with the Regents institutions to see if a compromise could be reached to eliminate the need for legislature to intervene. Representatives from both parties met and reported back to the committee the following compromise points:

(1) The Hall of Fame agreed to withdraw its request for legislation (**SB 370**) with the right to submit in the event of contract default or failure to reach an agreement on the business plan.

(2) The Regents institutions agreed to assist the Hall of Fame in preparing a five-year business plan for the Hall of Fame.

(3) The regents institutions agreed to continue their support of the Hall of Fame under the present terms and conditions of the contracts until the five-year business plan was complete. At that time the Board of Regents would evaluate their continuing support giving consideration to: (a) the findings of the business plan; (b) the needs of the Regents institutions’ athletic budgets; (c) the ability of the Hall of Fame to sustain itself through other revenue means.

Representative Weber continued with the fact that if the Kansas Sports Hall of Fame is able to establish a stable

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funding source, it will be able to actively market itself through "on-campus" activities and special events. This enables the agency to further their mission and raise more private funds.

Additionally, the committee was provided with a cash flow history of the Kansas Sports Hall of Fame dating from January 1, 1991 through January 31, 2002. (Attachment 2)

Otto Schnellbacher, an inductee into the Kansas Hall of Fame, testified as a proponent for **HB 2896**. Mr. Schnellbacher reports that it is his feeling that the Kansas Hall of Fame has more than just history, but also has an economic impact on the state. (No written testimony)

Rep. R.J. Wilson, 3<sup>rd</sup> District, Pittsburg, Kansas, submitted written testimony in support of **HB 2896**. Rep. Wilson feels that the Kansas Sports Hall of Fame is a tremendous opportunity for our state to showcase the hard work and dedication that is required of the young men and women throughout Kansas who attempt to achieve betterment of self through athletics. (Attachment 3)

Appearing before the committee to read the testimony of Jerry B. Farley, President of Washburn University, was Mr. John Pinegar. Washburn University supports **HB 2896** which would provide funding to the Kansas Hall of Fame through a \$1 surcharge on tickets for selected intercollegiate athletic events. The facility in Abilene serves as a place where our young people can learn about the individuals who have had outstanding careers in sports and see how this success contributed to their lives and careers. (Attachment 4)

### **OPPONENTS TO HB 2896**

Written testimony was provided by Sheila Frahm, Executive Director KACCT in opposition of **HB 2896**. In her testimony, Ms Frahm feels that we should encourage alternative solutions be sought for funding of the Sports Hall of Fame. (Attachment 5)

Also submitted in opposition to **HB 2896**, was a letter signed by Dr. Kay Schallenkamp, President, Emporia State University; Dr. Jon Wefald, President, Kansas State University; Dr. Edward Hammond, President, Fort Hays University; Dr. Robert Hemenway, Chancellor, University of Kansas; Dr. Tom Bryant, President, Pittsburg State University and Dr. Donald Beggs, President, Wichita State University. This letter stated that funding the Kansas Sports Hall of Fame through fees from other state agencies may be setting a precedent which should be avoided. It was also stated that statutorily imposing these precedent setting surcharges on student, alumni, community members, and fans could be fraught with legal challenges. (Attachment 6)

With the approval of the committee, Chairman Beggs concluded the hearing on **HB 2896** and called for final action. Representative McClure offered an amendment which would make the bill take effect on publication in the Register instead of the statute book, seconded by Representative Levinson. Motion carried.

Representative Ballou made a motion to pass **HB 2896** favorably, as amended, seconded by Representative Osborne. Motion carried.

### **Hearing on HB 2183 - racing and gaming; electronic gaming machines**

First to appear as a conferee before the committee as a proponent for **HB 2183** was Senator Chris Steineger. Senator Steineger stated that **HB 2183** wasn't the best bill - just the oldest. His main testimony was in regards to the fact that the Indian casino didn't have to disclose their revenue, but all Indian casino's in the US were lumped together in income ranges and they only had to state the range in which their receipts fell, however on their calculations there are 2400 slots at the 4 Indian casinos in Kansas with each averaging about 200-225 per day per machine or a total of \$157 million in revenue a year. Senator Steineger stated that this is money that isn't taxed. He also reported on the number of cars with Kansas license plates in the parking lots of the river boats in Missouri and the many bus trips that go to other states just for gambling. (No written testimony)

Chairman Beggs closed the hearings on **HB 2183** and waited to hear opposition testimony together with **HB 2822**.

### **Hearing on HB 2822 - authorized video lottery**

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Rex Hainey of the Bowling Proprietors Association testified as a proponent of **HB 2822**. The Kansas Bowling Proprietors Association represents 127 bowling centers in Kansas and has over 2600 employees. This bill gives the Executive Director of the Lottery discretion to conduct games through the use of electronic gaming machines. Any facility which is a lottery vendor and which also is licensed under the Club and Drinking Establishment Act, or any pari-mutuel dog or horse racing facility, would be eligible to have lottery electronic gaming machines placed on their premises, but it would be up to the Lottery to determine where machines would be placed and the number of machines. The machines would actually be owned and operated by the State Lottery. Mr. Hainey states that the bill provides that the State would receive 70% of the net game proceeds. (Attachment 7)

**OPPONENTS:**

Appearing before the committee in opposition to **HB 2822** on behalf of the Prairie Band Potawatomi Nation, was Mr. Steve Ortiz. Casino profits have energized the members of the Prairie Band Potawatomi Nation. Rather than to settle for a subsistence lifestyle, the members of the nation have been given a chance to build a long-term vision. There are many new initiatives on the reservation that Indian Gaming has allowed. (Attachment 8)

Legislative counsel for the Prairie Band Potawatomi Nation, Mr. Ron Hein appeared before the committee to oppose **HB 2822**. Mr. Hein reports that it is their feeling that once Kansas Legislature starts gaming expansion, it will be difficult to stop and secondly how quickly other groups are interested in participating with the end result being the legislature is presented proposals by the bowling proprietors, the veteran's organizations, the convenience store owners, and others who would argue, "If the state is going to authorize slots, then give us the opportunity to operate slot machines as well. Why just grant a state monopoly to two individuals?" (Attachment 9)

Hearings closed on **HB 2822**

Each member was given a copy of the National Gambling Impact Study Commission Final Report as requested at the February 13, 2002 meeting. (Attachment 10)

The next meeting is Monday, February 25, 2002 in Room 243-N.

Meeting adjourned