

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 January 24, 2008, in Room 313-S of the Capitol.

All members were present except:

Representative Michael Peterson - excused

Representative Tom Hawk- excused

Committee staff present:

Kathie Sparks, Kansas Legislative Research Department

Dennis Hodgins, Kansas Legislative Research Department

Mike Heim, Revisor of Statutes Office

Jason Long, Revisor of Statutes Office

Jeannie Dillon, Committee Assistant

Conferees: Stephen Martino, Executive Director, Kansas Racing and Gaming Commission
Robert Krehbiel, Chief Gaming Officer, Kansas Racing and Gaming Commission

Others attending:

See attached list.

Chairman Siegfroid opened the meeting and introduced Stephen L. Martino, Executive Director, Kansas Racing and Gaming Commission. (**Attachment 1**) Mr. Martino discussed the actions and activity of the Kansas Racing and Gaming Commission since the passage of **SB 66** and what they are doing to implement that bill. Testimony was directed to several key areas of the regulations. He reminded the Committee that there was constitutional litigation going on, the outcome of which we do not know at this point in time.

Mr. Martino directed the Committee's attention to the organizational chart and explained that they currently anticipate their staff developing over time. One of the agencies that he wanted to highlight was the security department and he explained to the committee the security measures that are being undertaken.

The Chairman asked Mr. Martino if the casinos would be charged for supplementing security with private security companies.

Mr. Martino replied that he could not recollect the precise security regulations. He did not believe, however, that they are allowed to supplement security with outside companies. He said that they would be required to supplement a security plan and that the state anticipates that they will have a security force among their employees that will be on staff. They would not allow them to go out and hire companies to come in on a contract basis.

Chairman Siegfroid asked if the State officer who is present at the casino or track has authority over the security employees.

Mr. Martino answered by saying that the state would not expect the standard of security officers of the facility to be licensed law enforcement agents. They would not have arrest powers or other powers of licensed law enforcement agents. He said that they would expect that the state officer would work in coordination with the facility security officers. To say that the officers of the facility would be under the state's direction, he didn't believe was correct.

Mr. Martino returned to his testimony by bringing to the Committee's attention the KRGC proposed gaming regulations and the working draft as of January 14, 2008.

Mr. Martino noted that the KRGC has been working with consultants in developing a technical standard for the Lottery Commission's central computer system. He reported that the IT project cost is estimated at 1.8 million dollars. All of the costs will be billed back to the destinations as the costs are incurred.

Replying to a Committee member regarding using STAR bonds and eminent domain for these facilities, Mr. Martino said that the commission was aware of the situation and the Lottery is or will be looking into the matter.

CONTINUATION SHEET

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

Responding to a question by a committee member regarding the staff budget, Mr. Martino said that the agencies total staffing budget is a little under 8 million dollars and total revenues for all racing and gaming revenues is projected at 750 million dollars.

Responding to a question from a committee member regarding security, Mr. Martino stated that the first priority of the facility security would be to the safety of the patrons at the facility whereas the state officers will have authority to go anywhere in the facility including the cage or money room.

After answering all questions by the Committee, Mr Martino was thanked for his testimony.

Chairman Siegfroid introduced Robert E. Krehbiel, Chief Gaming Officer, for the state of Kansas. Mr. Krehbiel gave details on the new position created for the Kansas Racing and Gaming Commission and gave an update on Senate Bill 66 (2007). He directed the Committee's attention to a time line for the implementation of **SB 66**. (**Attachment 2**)

After answering all questions asked by the Committee, Mr. Krehbiel was thanked by the Chairman.

Chairman Siegfroid opened the floor for introduction of bills and recognized Representative Donohoe who requested a conceptual bill directed to the Lottery Commission that they be required to construct and operate a state owned casino, managed and run by state employees in a location picked by the commission. Moved by Representative Brunk and seconded by Representative Knox. Without objection, the bill is accepted.

Representative Donohoe requested a second conceptual bill related to illegal immigration. Moved by Representative Brunk, seconded by Representative Huebert. With no objections, the bill is accepted.

Representative Donohoe requested a third conceptual bill on religion and the schools. Moved by Representative Brunk seconded by Representative Olson, the bill is accepted.

Seeing no further bill introductions, the Chairman adjourned the meeting. The next meeting will be Thursday, January 31, 2008, at 1:30 P.M.