

MINUTES OF THE SENATE FEDERAL AND STATE AFFAIRS COMMITTEE

The meeting was called to order by Chairman Pete Brungardt at 10:30 a.m. on January 20, 2004 in Room 231-N of the Capitol.

All members were present.

Committee staff present:

Russell Mills, Legislative Research
Dennis Hodgins, Legislative Research
Theresa Kiernan, Revisor of Statutes' Office
John Beverlin, Committee Secretary

Others attending:

See Attached List.

Chairperson Brungardt called the meeting to order and welcomed Russell Mills.

Mr. Mills reviewed for the committee the Kansas Liquor Control Act (Attachment 1).

Chairperson Brungardt reminded the committee **SB 305** would be introduced later in the week, and hearings on the bill will be scheduled for the following week. The Chairperson asked the committee for questions.

Senator Barnett referred to page 2 of the attachment, and the paragraph concerning the intent of the Liquor Control Act that was passed in 1947. He wanted to know why the Department of ABC had not suspended the licenses of those retailers who sold liquor, if the act was passed with the intent that the state would regulate those retailers.

Mr. Mills deferred the question to Tom Groneman of the Department of ABC.

Tom Groneman stated that it was the intent of the ABC to suspend the licenses from those retailers, but there was a restraining order filed in Wyandotte County. He further stated that Terry Diel entered into an agreement not to take actions until after a ruling from the district court.

Senator Barnett asked if the licenses could have been suspended at the time.

Mr. Groneman answered that it was the intent of the department, but the restraining order from the district court precluded that from happening.

Senator Barnett asked whether there had been consideration for dram-shop legislation during the interim Judiciary Committee meetings.

Senator Vratil answered no.

Senator Barnett asked whether pre-emption in a bill was necessary to achieve uniformity.

Theresa Kiernan answered no.

Senator Barnett stated that pre-emption was not necessary.

Ms. Kiernan explained that it was possible to obtain uniformity without pre-emption.

Senator Barnett asked where the new bill stood with regards to holiday sales.

Ms. Kiernan stated that the bill authorizes the Sunday sales, but that there are still holidays in which sales are not authorized.

Senator Barnett wanted to know about the current Sunday law pertaining to 3.2 taverns.

Ms. Kiernan answered that there were certain food requirements. She stated that the sale of food had to

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account for no less than 30 percent of sales, and the tavern had to be authorized by the city or county.

Senator Barnett asked, if the Sunday law for 3.2 taverns was not addressed in the bill, would the bill be left open for uniformity questions in the future.

Ms. Kiernan answered that she did not believe that would be the case. She explained that the cereal malt beverage laws were currently uniform.

Chairperson Brungardt welcomed Dennis Hodgins.

Mr. Hodgins provided an overview of the National Council of Legislators from Gaming States and its Las Vegas meeting (Attachment 2).

Chairperson Brungardt asked the committee for questions.

Senator O' Connor asked whether many individuals with gambling problems registered.

Mr. Hodgins answered that he was not sure. He stated that he believed the program was fairly new.

Senator Betts asked Mr. Hodgins where he found the statistic that stated that one to three percent of gamblers were problem gamblers.

Mr. Hodgins answered that he was not sure.

Chairperson Brungardt stated that the statistic was used by several speakers at the conference meeting.

Senator Betts stated that he grew up in Las Vegas and witnessed more than three percent problem gamblers. He stated the numbers should be closer to five to ten percent.

Mr. Hodgins stated that it depended on the definition of what is considered addicted to gambling.

Senator Barnett asked whether there was a long-term study to determine the number of individuals who would become addicted to gambling as gambling became more prevalent in the area.

Mr. Hodgins answered that he believed there was a record he could find for Senator Barnett.

Chairperson Brungardt stated that there were several studies.

Senator Barnett asked whether he could see a study created by an objective individual.

Senator Betts wanted to know how many individuals with gambling problems ended up committing suicide.

Mr. Hodgins answered that there was information, but he did not have the stat available for him currently.

Senator Barnett asked whether there were any objective studies about the long-term overall economic impact of gambling on a state.

Mr. Hodgins answered that it depended on what side looked at or produced the study. Whether it was created by an opponent or proponent to gambling.

Senator Barnett stated that there is not an objective study.

Chairperson Brungardt explained that the study depends on the context of the situation. Each state attempts to accomplish something different and each is set within a different context and experiencing a different situation.

Senator Barnett asked whether there was a model that could be applied to Kansas.

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Chairperson Brungardt answered that each state was different.

Mr. Hodgins explained that there were many variables that make Kansas unique. He provided the example of Missouri gambling located across the river from Kansas.

Senator Clark stated that of the examples from states provided in the testimony, hardly any of them were member states of NCLGS. He asked why Kansas is a member of the group, and why some states choose not to be a member of the group.

Mr. Hodgins explained that he was not sure. He stated that there were several states that have gaming, but are not a member of NCLGS. He also stated that a number of states who are not members attended the conference.

Senator Clark asked whether it was known if there was a decline or increase in bingo revenue.

Mr. Hodgins deferred the question to Russell Mills.

Mr. Mills stated that he believes bingo revenue had decreased over the last decade.

Senator Lyon asked whether the issue of casino ownership, whether private or state owned, had been an issue of discussion at the conference.

Mr. Hodgins stated that state owned and operated had not been an issue of discussion. He explained that Kansas was unique in that situation.

Senator Vratil asked whether there were any states other than Kansas whose constitution requires casinos to be state owned and operated.

Mr. Hodgins answered that there were none of which he knew.

Chairperson Brungardt asked the committee for questions. None were asked.

The meeting was adjourned at 11:30 a.m. The next meeting is scheduled for January 21, 2004, at 10:30 a.m. in room 231-N.