

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 23, 2007 in Room 313-S of the Capitol.

All members were present except: Benjamin Hodge

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:

Ed Van Petten, Executive Director Kansas Lottery

Others attending:

See attached list

Chairman Siegfroid opened the floor for bill introductions and recognized Representative Loganbill who requested a bill naming the Firefighters Museum in Wichita state fire station memorial. The Chairman made a motion to accept which was seconded by Representative Peterson. With no objection, this bill was accepted.

Representative Mah was recognized and requested a bill to allow slot machines in the VFW, American Legion, and Class A clubs. The Chairman made a motion to accept which was seconded by Representative Peterson. With no objection, this bill was accepted.

Representative Mah also requested a bill to allow Kansas farm winery owners to get a caterers license. The Chairman made a motion to accept which was seconded by Representative Peterson. With no objection, this bill was accepted.

Representative Mah requested a third bill which would clarify rules for cities revising the building codes in the counties. The Chairman made a motion to accept which was seconded by Representative Peterson. With no objection, this bill was accepted.

Representative Peterson requested a bill dealing with conditions of release of arrested individuals. It adds an option for the court to use. The Chairman made a motion to accept which was seconded by Representative Huebert. With no objection, this bill was accepted.

A second bill was requested by Representative Peterson which adds on second convictions for prostitution that the individual be tested for communicable diseases and that the individual pay for the testing. The Chair made a motion to accept which was seconded by Representative Huebert. With no objection, this bill was accepted.

Representative Kinzer requested a bill that would remove the immunity that K through 12 schools have for acquiring criminally obscene material for the purpose of use in approved course of instruction. The Chairman made a motion to accept which was seconded by Representative Peterson. With no objection, this bill was accepted.

Chairman Siegfroid introduced Ed Van Petten, Executive Director Kansas Lottery who addressed the committee regarding lottery.

Mr. Van Petten related that the extension of the lottery would have to be done by the 2007 Legislature or sales of games such as Powerball, Hot Lotto, Super Kansas Cash, 2by2, Pick 3, Keno and Kansas Hold'Em would have to stop at the close of business on June 30, 2007. All instant tickets would have to be ended before January 1, 2008. They propose eliminating the sunset provision altogether.

Lottery sales for FY 2006 totaled \$235 million, and are presently 5.77% of last year's sales.

CONTINUATION SHEET

MINUTES OF THE House Federal and State Affairs Committee at 1:30 P.M. on January 23, 2007 in Room 313-S of the Capitol.

According to Mr. Van Petten's report the 2002 legislature allowed the Lottery to modify the method of calculating transfers made each month which gave them more flexibility in operations and make it possible to increase prize payouts on their instant products which has helped to boost sales.

Mr. Van Petten stated that their primary concern continues to be security, both in the gaming system and field operations. Measures have been undertaken to increase the security.

The lottery continues to develop marketing partnerships with a number of Kansas businesses and industries marketing games and selling a ticket promoting tourism in a particular area of the state.

According to the report from the Kansas Lottery the Veteran's Benefit Games are about \$3 million, which should result in a transfer for those programs in excess of \$900,000 in fiscal year 2007.

November 12, 2007 is the 20th anniversary of the sales of Kansas Lottery tickets. They have launched a \$20.00 scratch ticket on January 11th to commemorate the occasion.

Mr. Van Petten concluded his report stating that new games were launched by the Kansas Lottery in 2006 and they presently have a Request For Proposal (RFP), and anticipate receiving bids from GTECH, Scientific Games and Intralot. The RFP is the online gaming system and communications system. (Attachment 1)

Chairman returned to bill introductions and recognized Representative Dillmore who requested a bill regarding crime and punishment relating unlawful sexual relations. The Chair made a motion to accept which was seconded by Representative Peterson. With no objections, this bill was accepted.

Representative Brunk requested a bill regarding grandparent visitation rights. The Chair made a motion to accept which was seconded by Representative Peterson. With no objections, this bill was accepted.

Representative Swenson requested a bill regarding legislative evaluation of legislative salaries. The Chair made a motion to accept which was seconded by Representative Peterson. With no objections, this bill was accepted.

Chairman requested a motion for approval of the minutes of January 9th as read. Representative Dillmore made the motion which was seconded by Representative Huebert. Motion passed.

With no further business before the committee the meeting was adjourned.