

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 March 11, 2009, in Room 136-N of the Capitol.

All members were present.

Committee staff present:

Jason Long, Office of the Revisor of Statutes
Julian Efird, Kansas Legislative Research Department
Dennis Hodgins, Kansas Legislative Research Department
Connie Burns, Committee Assistant

Conferees appearing before the Committee:

Ted Smith, Department of Motor Vehicles
Doug Lawrence, Executive Director, Kansas Greyhound Association
George Wingert, Ruffin & Company
Pam Davis, Kansas Thoroughbred Association
Mark Guy, Iowa Quarterhorse Association Board of Directors
Brian Krenzin, President and Owner, Midwest Greyhound Supply
Bruce Schmitter, Woodlands
Mayor Dee Stuart, Park City, Kansas
Jeff Rutland, Rutland Ranch
Ed Van Petten, Executive Director, Kansas Lottery
Senator Kelsey
Mark Kahrs, Chairman, Stand Up for Kansas
Ron Hein, Prairie Band Potawatomi Nation
Mike Taylor, Unified Government Wyandotte County Kansas City Kansas
Gus Collins, City Manager, City of Wellington
Janis Hellard, Director, Sumner County Economic Development Commission

Others attending:

See attached list.

Ted Smith, Legal Counsel to the Director of Motor Vehicles, provided an update on **SB 9** from 2007. (Attachment 1) The biggest changes for the Division have been generated by the following:

1. Removal of the social security affidavit alternative
2. Formalization of the naming, address, and Kansas resident requirements
3. Requirement for higher standards in the establishment of lawful presence

The legislation gives drivers license examiners the tools and knowledge to make a more precise determination concerning identity documents and what qualifies applicants to obtain a Kansas identity document and gives clear instructions to individuals making application for identity documents, what is acceptable to prove identity. There has been major improvements in security requirements for examiners; ability for data sharing, enhanced law enforcement capabilities, and the continued refinement of the process and systems allows Kansas to have a more secure Identity Management System.

SB 273 - Kansas expanded lottery act; electronic gaming machine income distribution, election to allow electronic gaming machines in Sedgwick county.

Chairman Brungardt opened the hearing on **SB 273**.

Staff provided an overview of the bill. (Attachment 2)

The Chairman requested a motion to amend the bill in Section 1, striking lines 14-43.

Senator Reitz moved the amendment. Senator Owens seconded the motion. The motion carried.

CONTINUATION SHEET

Minutes of the Senate Federal and State Affairs Committee at 10:30 a.m. on March 11, 2009, in Room 136-N of the Capitol.

Doug Lawrence, Executive Director, Kansas Greyhound Association, spoke in favor of the bill. ([Attachment 3](#)) The bill would change the distribution of electronic gaming machine income from a racetrack gaming facility by increasing the amount from 25.0% to 43.0% of income to be received by the racetrack gaming facility manager; and remove the earnings caps on both the Live Horse Racing Purse Supplement Fund and the Live Greyhound Racing Purse Supplement Fund.

George Wingert, Ruffin & Company, appeared in favor of the bill. ([Attachment 4](#)) The bill would enable the track to reopen with slots and dramatically improve the employment situation in that area.

Pam Davis, Kansas Thoroughbred Association, spoke in favor of the bill. ([Attachment 5](#)) The racing industry has had a positive impact on education and research at Kansas universities; over 2.6 million dollars has been spent since 1990 on equine and canine research. Labor is one of the most expensive parts of getting the animals trained and ready to start a career at the race track; stallions were brought into the state with the anticipation of a growing breeding program being developed for the expanded gaming. Those horses that were foaled here are not worth what they should be because of loss of Kansas racing opportunities. Ms. Davis urged the committee to vote yes on the bill.

Mark Guy, Iowa Quarterhorse Association Board of Directors, testified in favor of the bill. ([Attachment 6](#)) Mr. Guy stated that the horse racing and slots at the racetrack has truly become a big boost to Iowa. Kansas, by not having slots at the tracks; means a loss of jobs, agriculture products and economy.

Brian Krenzin, President and Owner, Midwest Greyhound Supply, appeared in favor. ([Attachment 7](#)) The bill provides an opportunity to rejuvenate live greyhound racing in Kansas, and build upon greyhound racing's economic impact to the Kansas economy.

Bruce Schmitter, Woodlands, testified in favor of the bill. ([Attachment 8](#)) The passage of the bill will save Kansas industries, increase employment, provide a stimulus to the economy, and generate needed revenues for the state. A letter was provided endorsing the bill.

Mayor Dee Stuart, Park City, Kansas, spoke in favor of the bill. ([Attachment 9](#)) Mayor Stuart was in favor of the portion of the bill which calls for another referendum in Sedgwick County; that portion of the bill was stricken.

Jeff Rutland, Rutland Ranch, spoke in favor of the bill. ([Attachment 10](#)) Mr. Rutland stated that this bill is not about gambling, it is about re-directing a revenue stream from gambling; it is about rural Kansas and allowing the racetracks to get back in business to raise horses, attract new investment, stimulate spending, and create jobs.

Tom Burgess, International Game Technology, provided written testimony in support of the bill. ([Attachment 11](#))

Ed Van Petten, Executive Director, Kansas Lottery, was available for questions from the committee.

Senator Kelsey appeared in opposition to the bill. ([Attachment 12](#)) Senator Kelsey opposed the re-vote in Sedgwick County; also provided a letter signed by legislators from south east Kansas in opposition to the re-vote.

Mark Kahrs, Chairman, Stand Up for Kansas, spoke in opposition to the bill. ([Attachment 13](#)) They oppose not only another referendum in Sedgwick county, but oppose the bill in its entirety because of the economic and social impact the slot machine casinos would have on Kansas families.

Ron Hein, Prairie Band Potawatomi Nation, (PBPB) testified in opposition to the bill. ([Attachment 14](#)) The PBPB opposes the bill; the Federal Indian Gaming Regulatory Act was enacted in order to provide economic development opportunities to native American Indian Nations. The passage of expanded gaming legislation threatens the progress made in northeast Kansas, and the relationship between the state and the Tribal communities.

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Mike Taylor, Unified Government Wyandotte County Kansas City Kansas, appeared in opposition to the bill. (Attachment 15) The Unified Government opposes attempts to change the law before approved casinos are built and operating; this presents a risk to the future of casino gaming in Kansas, and threatens the chances of Wyandotte County receiving destination casino proposals.

Janis Hellard, Director, Sumner County Economic Development Commission, spoke in opposition to the bill. (Attachment 16) Ms. Hellard opposed the re-vote in Sedgwick county as it could potentially ruin the opportunity for a casino in the South Central Gaming Zone, and thanked the committee for removing that language from the bill.

Board of County Commissioners, Sumner County, (Attachment 17) and Gus Collins, City Manager, City of Wellington, (Attachment 18) provided written testimony in opposition to the bill.

Chairman Brungardt closed the hearing on **SB 273**.

Final Action:

SB 75 - Municipalities; consolidation and reorganization; political and taxing subdivisions.

Senator Faust-Goudeau being on the prevailing side of the Senator Abrams amendment, made a motion to reconsider the vote on the amendment. Senator Owens seconded the motion. The motion carried.

Division was called, and the motion passed. Senator Abrams requested to be recorded as voting no.

The next meeting is scheduled for March 12, 2009. The meeting was adjourned at 11:53 am