Approved _	4/a/t	
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MINUTES OF THE	COMMITTEE ON	FEDERAL AND STAT	TE AFFAIRS	•
The meeting was called to order by		Senator Edward F. Chairperson	. Reilly, Jr.	at
11:00_ a.m./\%\%\\cdot\cdot	March 23	, 19 <u>8</u> 8i	n room <u>254-E</u>	of the Capitol.
All members were present.				

Committee staff present:

Emalene Correll, Legislative Research Mary Galligan, Legislative Research Mary Torrence, Assistant Revisor of Statutes June Windscheffel, Committee Secretary

Conferees appearing before the committee:

The Reverend Richard Taylor, Kansans for Life at its Best Mr. Larry Montgomery, Executive Director, The Kansas Lottery Mr. Bob Gottschalk, Executive Director, Kansas State Fair Mr. J. H. Speicher, GTECH

Mr. John Peterson, Southland Corporation

The Chairman called Committee attention to  $\underline{\text{HB3023}}$ , concerning The Kansas Lottery. He welcomed Mr. Larry Montgomery, of The Kansas Lottery, whose statement is part of these Minutes. (Attachment  $\sharp 1$ ) It states that the Commission will support the State Fair Board in any way possible to make the lottery booth a success. It also requests that the Lottery may pay winners promptly.

Mr. Bob Gottschalk, Executive Secretary of the Kansas State Fair Board, spoke in support of Mr. Montgomery's statement. He reiterated the Fair Board could certainly work out an operation with the Lottery Commission to sell lottery tickets at the Fair. Mr. Gottschalk said the Kansas State Fair is supported solely by the funds generated. Presently quite a number of state agencies exhibit at the Fair. The exhibits are to inform and educate the public, which fits right in with Mr. Montgomery's proposal.

The Reverend Richard Taylor spoke to the effect that if devised, this would be the most expensive form of tax the state would have.

Mr. J. H. Speicher, Sales Manager, of GTECH Corporation, spoke next. His statement supports the comments of Mr. Montgomery concerning the payment of prizes at the lottery headquarters and regional offices. (Attachment #2)

Mr. John Peterson, representing Southland Corporation, was the next conferee. The 7-11 Stores are a part of the Southland Corporation.

Mr. Peterson said there may be different requirements for licensees, considering whether it is an individual or corporation. He asked that the word "applicable" be added on line 173, preceding the word "qualifying".

The Chairman thanked all for appearing and said the Committee will take this matter under advisement.

Mr. Montgomery then appeared concerning  $\underline{SB699}$ , concerning lottery prize winnings subject to setoff and reporting to SRS child support enforcement. His statement is attached. It says that since setoffs are being applied and the requested names and identification numbers will be provided voluntarily, it would appear there is no need for this bill in the present form. (Attachment  $\sharp 3$ )

The next matter was  $\underline{\text{HB2746}}$ , concerning citizenship requirements for liquor licenses. Senator Vidricksen referred to the case of an individual who had been denied a liquor license due to a felony conviction. ( $\underline{\text{Attachment } \#4}$ )

# CONTINUATION SHEET

MINUTES OF THE	SENATE COMMI	TTEE ONFEDERAL	AND STATE AFFAIRS	,
room 254-E Statehou	se, at <u>11:00</u> a.m./	mxmxon Ma	arch 23 1	9 88

Senator Vidricksen moved to amend the bill to allow certain nonviolent felony offenders to hold licenses and be employed by licensees. The motion was seconded by Senator Hoferer. The motion carried. The proposed amendments were distributed to the Committee. (Attachment #5)

Senator Bond moved that HB2746, citizenship requirements for liquor licenses, be passed favorably as amended. The motion was seconded by Senator Strick. The motion carried.

Mr. John Smith, from the Department of Revenue, was present to appear on <a href="HB2819">HB2819</a>, concerning suspension of minor's driving privileges for any alcohol or drug-related offense. The statement from Director of Revenue, Harley Duncan, which Mr. Smith was to present, was handed out to the Committee. (Attachment #6) The Committee will continue with that topic tomorrow.

Senator Bond asked about his 5% amendment, which was acted upon March 22. The Chairman responded it has now been amended to the 5% penalty.

Senator Morris moved that HB2772 as amended be recommended favorably. The motion was seconded by Senator Vidricksen. The motion carried.

The meeting was adjourned.

3/23/88 SUZI

## MARCH 23, 1988

#### SENATE FEDERAL AND STATE AFFAIRS COMMITTEE

#### COMMENTS BY LARRY MONTGOMERY

As discussed previously with this committee, the Kansas Lottery has made significant efforts to research elements in other lottery states to identify what has worked successfully and what has caused problems.

For example, Missouri is one of the few states where the lottery is not permitted to make instant payment of prize winnings at lottery headquarters and regional offices. In conversations with officials in Missouri, they have identified this restriction as a partial reason for players losing interest in the lottery in that state.

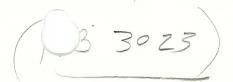
On the other hand, the successful lotteries in the Mid-West (Arizona, Iowa, Oregon, Michigan) do allow their regional offices and/or headquarters to immediately issue checks to lottery winners.

In Kansas, it is hoped we will be allowed to emulate the successful lotteries and avoid the pitfalls of those less successful. Consequently, the lottery respectfully requests your support to enable us to pay winners promptly, thereby increasing player participation with a resultant increase in proceeds available to the Gaming Fund.

In regard to allowing the State Fair Board to sell tickets: The Kansas State Fair is the largest single event held in Kansas each year. Last year, the lottery booth was very well received at the Fair. As the largest single event in Kansas, it seems most appropriate to allow the State Fair to sell lottery tickets. We will support them in any way possible to again make the lottery booth a great success.

Senate FSA 3/23/88 Attachment #1





orth Kansas Avenue a, Kansas 66603 (913) 232-0020

March 23, 1988

# SENATE FEDERAL AND STATE AFAIRS

Comments by J.H. Speicher Sales Manager, GTECH Corporation

I would like to take this opoprtunity to express my agreement with the comments of Mr. Montgomery concerning the payment of prizes at the lottery headquarters and regional offices.

A key element of the success of a lottery is the ability of the players to quickly receive their prizes. The winners want their prizes as quickly as possible so they can see the results of their play. I have been at the Oregon Lottery Headquarters where a player with a winning ticket has driven over 100 miles to receive his check that day rather than send it in through the mail and wait many days to receive a check back by mail.

I support this idea of permitting the Kansas Lottery to make payments of prize winnings at the Lottery headquarters in Topeka and at the regional offices throughout the state

Senate FSA 3/23/88 A Hachment #2

# RESPONSE TO BILLS PRESENTED BY THE COMMITTEE ON JUDICIARY (S.B. # 699)

#### AND

# REPRESENTATIVE WAGNON (H.B. # 2834)

These bills ask that the names and tax identification numbers of persons awarded prizes of \$500 to \$5,000 be forwarded by the Kansas Lottery to the Child Support Enforcement Program of the Department of Social and Rehabilitation Services within five days after the prize is awarded.

Currently the Division of Accounts and Reports is setting off debts owed to the state of Kansas as authorized by K.S.A. 75-6201 et seq., on all prizes of \$50 or more.

Although set-offs are currently being applied to all prizes of \$50 or more, the Lottery would be willing to provide the requested information on a voluntary basis to the Department of Social and Rehabilitation Services.

Since set-offs are being applied and the requested names and identification numbers will be provided voluntarily, it would appear that there is no need for this bill in its present form.

CMA:ms

COMMENTS BY LARRY MONTGOMERY KANSAS LOTTICH SEMATE

13

Forbes Carnival Plans Are paily Capital ay, July 23,

Plans for the giant four-day Topeka-Forbes Carnival to be held at the base July 31 through August 3 were outlined Tuesday night at a special dinner meeting for city officials, businessmen and newspaper publishers from surrounding communities.

Attending the meeting were representatives from Topeka, Lawrence, Manhattan, Lyndon, Osage City, Overbrook, Scranton, Olathe, Leavenworth, Council Grove, Baldwin and St. Marys.

Purpose of the \$50,000 fund-raising project is to provide' recreational facilities and activities to keep Air Force-trained men in the Air Force, Col. Ariel W. Nielsen, 21st Air Division commander, explained.

The colonel said it costs between \$10,000 and \$20,000 to train each individual man.

Funds raised from the carnival will be used to make the airmen's dayrooms more livable, to install air-conditioning in the bowling alley, to provide prizes for the military suggestion program and funds for the AF aid

The carnival, expected to draw an attendance of 125,-000, will feature a midway of carnival rides, booths, concessions, theatrical enter-tainment, dances and other attractions.

Efforts are currently under way to bring Bob Hope and Jimmy Stewart here for the spectacular.



CARNIVAL PLANS ADVANCE—Plans for the carnival to be held next week at

Forbes Air Force Base are mapped here by the midway committee. The event opens July 31 and runs through Sunday, August 3. The committee members are, left to right, standing: Lt. Robert A. Rosenberg, Maj. J. M. R. Audette, Maj. Stephen J. Fiduk and Lt. Weston George; seated: Maj. Daniel L. Sjodin and Maj. Thomas Parry.

Forbes Is Building Carnival Midway

Base on the giant midway for the four-day Topeka-Forbes provement suggestions. Carnival beginning July 31.

remphasized the carnival has will open to the public at not been cancelled due to the p.m. on Thursday and F SAC alert status now in effect because of the mideast day and Sunday the hou

MAYOR GEORGE E. Schnellbacher has pro-claimed Topeka-Forbes Fes-gymnasium, will be compltival Days for the carnival ed next Wednesday. sponsored by the base and More than 60 rides the military affairs committee of the Topeka Chamber freshment stands will of Commerce.

"Everything is in readiness for the four-day festival rides and concessions usu here next week and carnival ly found on carnival more a mammoth turnout," along with some the base of the four days will be on the local stat Col. Ariel W. Nielsen, 21st signed especially for t Air Division commander, has event. One of these, an eje stated. Each squadron at tion seat similar to the ty Forbes will operate an used in jet aircraft, is e amusement or refreshment pected to draw attention, a booth. Proceeds are ear- a model passenger tra marked for the Air Force constructed by members

Construction started this Aid Society, playgrour week at Forbes Air Force equipment, redecorating

Admission to the midwa Officials at the base have is free. Gates to the ba are from 1 p.m. to 1 a.m.

WORK ON the midway,

More than 60 rides, amus

ready. Officials indicated th

are called up, planes can be extends to all SAC combat in the air within 15 minutes, bases. Headquarters was se-

of its alert posture," a spokesce man at Offutt told the Asn- sociated Press. put on an alert status Tues- are called up, planes can be externoon.

An officer in the public in- formation office made the anceted with the Mid-East cri- This means one aircraft is hour details.

The alert places all crews for the crews and polymer in the public information of its aircraft on standby.

aircraft on standby.

The full alert signal issued
late Tuesday afternoon by fi
SAC headquarters puts all
crews and aircraft in readi-

Senate FSA 3/23/88 Attachment #4 Honorable Andrew F. Schoeppel United States Senator Kansas Senate Office Building Washington, D. C.

Dear Senator Schoeppel:

I have been retained by Mr. Joe Berger, the Executive Secretary of the Moose Lodge, in Topeka, Kansas, to represent him in the United States District Court on an indictment for violation of 15 USC 1175 which concerns transporting slot machines within Forbes Air Force Base, Topeka, Kansas. The case number is 10680 in the United States District Court for the District of Kansas.

The facts in the matter are that on July 31, 1958, Forbes Air Force Base, in cooperation with the City of Topeka and the Chamber of Commerce of Topeka, staged a carnival in order to raise funds to provide gym equipment, a bowling alley and other necessities on Forbes Air Force Base. As a part of this carnival there was a gambling casino established which included slot machines that were owned by the Moose Lodge of Topeka. Officer personnel of Forbes Air Force Base had requested that the Moose Lodge lend them these slot machines which had been in storage for quite sometime, so that they could earn more money during this carnival.

In accordance with the request, the Board of Directors authorized Mr. Berger to loan the slot machines to Forbes Air Force Base as a civic contribution. Officer personnel of Forbes Air Force Base were to have picked up these slot machines from the Moose Lodge or where they had been stored and transported to Forbes Air Force Base for use during the carnival. However, on the day that they were to have been picked up, Forbes Air Force Base had an alert and all personnel had to remain on the base and they requested that Mr. Berger take the machines to Forbes Air Force Base. In accordance with the request Mr. Berger did deliver, to Forbes Air Force Base, the slot machines and transported them through the gate into Forbes Air Force Base.

An indictment was subsequently returned against Mr. Berger by a Grand Jury and he is charged with the transporting of gambling devices into Forbes Air Force Base, Topeka, Kansas. This is of course a felony and would be quite a mark against Mr. Berger's record if he is convicted of the same.

It is my considered opinion that inasmuch as this was a civic enterprise between the United States Air Force and the City of Topeka, Kansas, that the Air Force should take steps to see that this indictment is dropped against Mr. Berger. The United States District Attorney cannot drop the indictment without the authority of the Attorney General of the United States or the Department of Justice and therefore I think that the Air Force should step into the matter and see that it is taken care of.

I would appreciate it if you would cause an investigation to be made into this problem and see is we can get this indictment dropped against Mr. Berger, inasmuch as I do not believe he should be convicted of a felony when he was doing something in the interest of the Air Force and the personnel involved therein.

With best personal regards, I am,

Very truly yours,

Leonard W., Pipkin, Jr.

LWP/tf

SAME LETTER WAS SENT TO J. FLOYD BREEDING HOUSE OF REPRESENTATIVAS



CHE D. MONOTON, B. G. TREARD L. HOLLAND, P.A. 126 O. RAELLAND, MISG. AERT M. MUMPHUREY, ISBNIL. KERR SCOTT, M. C. HERMAN S. TALMADEL, BA. MERMAN S. TALMADEL, BA. BEDRINE D. AIKEN, Y MILTON R. YOUNG, I EDWARD J. THYE, MI BOURGE B. HICKENLO. KARL E. MENOT, B. DA. JOHN J. WILLIAMS, DEL. SHORKEY F. BENOPPEL. KANE.

United States Senate

COMMITTEE ON AGRICULTURE AND FORESTRY

COTTS M. MOUSER, CHIEF CLERK

March 9, 1959

Mr. Leonard W. Pipkin; Jr. Attorney-at-Law Columbian Building Topeka, Kansas

Dear Mr. Pipkin:

I am sending you herewith a copy of a letter which I have received from the Department of the Air Force relative to Mr. Joe Berger.

The letter is self-explanatory.

With best wishes, I am

Sincerely,

DEPARTMENT OF THE AIR FORCE WASHINGTON

OFFICE OF THE SECRETARY

6 MAR 1959

Dear Senator Schoeppel:

I refer to your expression of interest in behalf of Mr. Leonard W. Pipkin, Jr., concerning the indictment of Mr. Joe Berger for violation of 15 USC 1175 which concerns transporting slot machines within Forbes Air Force Base, Topeka, Kansas.

The Air Force has learned that the facts as stated in the letter from Mr. Leonard W. Pipkin, Jr., attorney for Mr. Berger, are substantially correct with two exceptions. Mr. Berger received the sum of \$277 as his share of the receipts from the slot machines provided by him. Reportedly, however, this amount has been entered on the books of the Moose Club of Topeka, Kansas, as "donations". Further, it appears doubtful that Air Force personnel agreed to pick up or deliver these machines. To the contrary, it is indicated that the owners of the various slot machines agreed to transport them to and from Forbes Air Force Base.

The personnel at Forbes Air Force Base who were responsible for the decision to secure these machines were ignorant of the legal implications connected with the operation of such machines within a Federal reservation. There was no intention on their part to violate the law nor to involve anyone else in a violation.

The Air Force sincerely regrets that this situation has arisen. We are prohibited, however, from taking any action in this matter by the provisions of Section 1503, Title 18, USC. This is a matter solely within the jurisdiction of the Department of Justice. It is our understanding that that Department is fully aware of all the facts and circumstances in this case. Any action on our part might constitute obstruction of justice.

SAME LETTER WAS SENT TO J. FLOYD BREEDING HOUSE OF REPRESENTATIVES Sincerely yours,

BOURNE ADKISON, Col, USAF Deputy Director For and in the absence of

W. P. FISHER Major General, USAF Director Legislative Liaison

# United States District Court

FOR THE

D	ISTRICT OF KANSAS	removed 5 m
United States of America	)	EMICHE
υ.	No. T-CR	-58 JUN 27 1959 :
ı		HARHY M WASHINGTON Clerk
JOE BERGER	-	By Donay

On this 21th day of June . 19 59, came the attorney for the government and he defendant appeared in person, and by counsel Allen J. Meyers at Topeka, Kansas.

ount 1 of the offense of transporting gambling devices within orbes Air Force Base, which is a special maritime and territorial jurisdiction of the United States, in violation of 15 USC 1175.

as charged of two counts of the court having asked the defendant whether he has anything to say why judgment should not be considered, and no sufficient cause to the contrary being shown or appearing to the court,

It Is ADJUDGED that the defendant is guilty as charged and convicted.

It is Adjudged that imposition of sentence is bereby suspended and the defendant is placed on probation for a period of one (1) year subject to the usual conditions of probation set forth in the printed form furnished by the probation officer and to the pecial terms outlined in the plan of the probation department.

IT IS FURTHER ORDERED that on motion of the United States Attorney, Count 2 of he Indictment is hereby dismissed.

F | L L [] OCT 15 1958

IN THE UNITED STATES DISTRICT COURT DISTRICT OF KANSAS (Topeka Docket)

FOR THEY M. VASHINGTON, Y

UNITED STATES OF AMERICA

vg.

No. 10680 (15 U.S.C. 1175)

JOE BERGER

# INDICTHENT

The Grand Jury charges:

That on or about July 31, 1958, in the District of Kansas, and within the jurisdiction of this Court,

#### JOE BERGER

transported gambling devices, to-wit: slot machines within Forbes Air Force Base, which is a special maritime and territorial jurisdiction of the United States.

A True Bill.

s/ M. B. Gourley

- Sec. 13. K.S.A. 1987 Supp. 41-2610 is hereby amended to read as follows: 41-2610. It shall be unlawful for any licensee or holder of a temporary permit under this act to:
- (a) Employ any person under the age of 18 years in connection with the serving of alcoholic liquor.
- (b) Employ knowingly or continue in employment any person in connection with the dispensing or serving of alcoholic liquor or the mixing of drinks containing alcoholic liquor who has been adjudged guilty of a felony or of any crime involving a morals charge in this or any other state, or of the United States except that this subsection shall not prohibit employment of a person solely by reason of conviction of a nonviolent felony under the laws of this state, any other state or the United States if the person was sentenced to probation for such felony not less than 15 years immediately preceding such person's application for employment and if the person is determined by the director to be habilitated.
- (c) Employ knowingly or to continue in employment any person in connection with the dispensing or serving of alcoholic liquor or mixing of drinks containing alcoholic liquor who has been adjudged guilty of a violation of any intoxicating liquor law of this or any other state, or of the United States, during the two-year period immediately following such adjudging.
- (d) In the case of a club, fail to maintain at the licensed premises a current list of all members and their residence addresses or refuse to allow the director, any of the director's authorized agents or any law enforcement officer to inspect such list.
- (e) Purchase alcoholic liquor from any person except from a person authorized by law to sell such alcoholic liquor to such licensee or permit holder.
- (f) Permit any employee of the licensee or permit holder who is under the age of 21 years to work on premises where alcoholic liquor is sold by such licensee or permit holder at any

Senate FSA 2/23/88 Attachment #5 time when not under the on-premises supervision of either the licensee or permit holder, or an employee who is 21 years of age or over.

(g) Employ any person under 21 years of age in connection with the mixing or dispensing of drinks containing alcoholic liquor.



## KANSAS DEPARTMENT OF

**ENUE** 

Division of Vehicles

Robert B. Docking State Office Building Topeka, Kansas 66626-0001

TO:

Senate Federal and State Affairs

FROM:

Harley T. Duncan

Secretary of Revenue

DATE:

March 22, 1988

RE:

House Bill No. 2819

The department acknowledges the good intentions of this bill and its sponsers. We are supportive of legislation that will reduce alcohol and drug abuse particularly where such action involves drinking and driving. Our sole opposition to this bill is that it does not specifically relate to driving a motor vehicle and sets a precedent for the withdrawal of driving privileges not related to the operation of a motor vehicle. If enacted, this could result in future legislation requiring the withdrawal of driving privileges for using false identification to purchase alcoholic beverages or passing bogus checks etc. While these are serious offenses there is no relation to a person's ability to safely operate a motor vehicle. There are existing penalties to punish such offenses.

STATE OF KANSAS

Governor Mike Hayden

Jimmy D. Grenz

Executive Director

Commissioners
Dr. Harry Anthony
Kay K. Arvin
Bert Cantwell
H. Phillip Martin

Alfred G. Schroeder Chairman

# KANSAS RACING COMMISSION

128 North Kansas Avenue Topeka, Kansas 66603-3621 (913) 296-5800

March 23, 1988

The Honorable Edward F. Reilly, Jr., Senator Chairman, Federal and State Affairs Committee Room 255E Statehouse

Dear Senator Reilly:

In response to your request concerning a conceptual amendment to H.B. 2772 which would provide that not more than 25% of the net earnings of a nonprofit organization could go to a governmental entity and as to the effect that this may have on the current application process, I make the following comments:

Several bills concerning the parimutuel racing act were introduced to the house at the request of the racing commission. H.B. 2772 being one of those. Prior to the introduction of each of these bills the substance and purpose of each of the bills was discussed during the open meetings of the commission which regular attended by the major developers, advisory board members, and industry representatives. There was a substantial amount of discussion concerning whether or not it was advisable to introduce any bills concerning parimutuel racing during this legislative session. It was decided from these discussions that only those matters which were deemed most important and perhaps critical concerning the issuance of licenses be addressed this year. clean-up of the parimutuel act, if desired, could be accomplished after licenses have been issued. The racing commission made its recommendations and the proposed amendments were drafted concerning those issues deemed critical to the issuance of licenses. As you are aware concerning H.B. 2772 several amendments not initially requested by the commission have already been suggested. None of these issues were raised while the bill was on the House side of the legislature. I have previously been requested to seek further comment from the racing commission concerning certain aspects of this bill by members of this committee. Those comments have been furnished to the committee and concern the 2% civil penalty provision for dual track facilities and the 20%

> Senate +517 3/23/88 Attachment #7

annual allocation of race days to horses at dual track This is yet another suggested amendment facilities. which may very well slow down the progress of this very important legislation. I have not had the opportunity to visit with the commission which meets on Friday, March 25, 1988, to acertain their view of this proposed amendment but I would state that in my opinion this amendment is not necessary at the present time, and I would request that bill be passed out of committee as previously I would suggest that if it is the desire of the amended. committee or the commission to have an amendment such as that suggested by Senator Strick included, that could be accomplished during the next legislative session prior to any receipts being distributed by any racing organization in Wyandotte County. Although I am not in favor of this change in the legislation at the present time it was my understanding that I was given direction to suggest possible language for an amendment which would allow the distribution of 25% of the net earnings of the nonprofit organization to a governmental entity. I would suggest could be that on page five at line 0170 section (d) Section (d) would read as follows: "nothing herein shall prohibit the distribution of not more than 25% of the net earnings of the nonprofit organization to a governmental entity in any calendar year"; then language on line 0171 could be picked up. I would again remind the committee that the amendments suggested by the racing commission were thoroughly discussed and agreed to by the industry and developmental representatives prior to the introduction of the bills. These new suggested amendments may be very important, but they were either not discussed or not deemed critical at the time these bills were The racing commission has received twelve introduced. applications and the members of the commission are in the process of reviewing those applications. The racing commission needs these bills passed in order to be able to fully consider each of the applications prior to the Your consideration granting of the licenses. assistance in accomplishing this very important task as expeditiously as possible would be very much appreciated.

Sincerely,

Jimmy D. Grenz

Executive Director