

MINUTES OF THE HOUSE COMMITTEE ON FEDERAL AND STATE AFFAIRS.

The meeting was called to order by Chairperson Clyde Graeber at 1:30 p.m. on February 17, 1993 in Room 526-S of the Capitol.

All members were present except: Representative Robert Krehbiel, Excused
Representative Don Myers, Excused
Representative Carolyn Weinhold, Excused

Committee staff present: Mary Galligan, Legislative Research Department
Lynne Holt, Legislative Research Department
Mary Ann Torrence, Revisor of Statutes
June Evans, Committee Secretary

Conferees appearing before the committee: Representative Lisa Benlon
Steven R. Wiechman, General Counsel, Kansas Association of
Counties

Others attending: See attached list

The Chairperson stated that yesterday the committee approved and voted on a Substitute Bill for HB 2262. It would be helpful to this committee to have a sub-committee review the Substitute Bill and bring back their findings to this committee.

Representative Empson moved and Representative Sebelius seconded to appoint a sub-committee to study HB 2262. The motion carried.

The Chairperson appointed the following members to the sub-committee: Representatives Benlon, Lahti and Robinette.

The Chairperson opened the hearing on HB 2401.

Representative Benlon testified in support of HB 2401, stating her original intent in drafting this legislation was an attempt at making the new fad of bungee jumping safe. In checking to see how they were regulated, it was found the state had no regulations on this industry or carnival rides. The intent is to require a permit be obtained by the city or county where the event is to take place and proof of insurance in an amount of not less than \$100,000 insuring against injury from the operation of the ride. (See Attachment #1)

Steven R. Wiechman, General Counsel, Kansas Association of Counties, stated there are some concerns with HB 2401 from a legal perspective. The bill defines the term "amusement ride" and speaks in the singular. The ambiguity exists when a county fair or similar event provides entertainment rides through contract with an amusement company. There is usually more than one ride. In some instances, each ride may be owned by a different owner, leased to an amusement company and operated by more than one person.

The liability requirement is set at \$100,000 which is considered nominal and it is felt that should be increased.

From a legal viewing, the language of the bill leads one to believe that everything is captioned in the singular. It was questioned if there were 10 rides would 10 permits be required with 10 insurance policies of \$100,000 or one permit for the function and \$100,000 total insurance. This needs clarification. (See Attachment #2)

It was asked if most carnival operators carry insurance? Insurance is not available for a lot of carnival activity; it is just not available for many of these operations.

Representative Benlon stated that other states are selling insurance for carnival rides and it is covered in the

CONTINUATION SHEET

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statutes in some other states.

Mr. Wiechman stated if the city or county issued permits then they assure there is some insurance. The city or county would need a permit fee to take care of the additional expense.

The Chairperson closed the hearing on HB 2401.

Representative Sebelius moved and Representative Rock seconded bill introduction for a vehicle to create a State Gaming Commission. The motion carried.

The meeting adjourned at 2:15 p.m.

The next meeting is scheduled for February 18, 1993.



TOPEKA

HOUSE OF
REPRESENTATIVES

COMMITTEE ASSIGNMENTS

MEMBER: EDUCATION
LOCAL GOVERNMENT
GOVERNMENTAL ORGANIZATION

LISA L. BENLON
REPRESENTATIVE, 17TH DISTRICT
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Testimony on HB2401

Chairman Graeber and members of the committee,

I support HB2401.

My original intent in drafting this legislation was to attempt to make the new fad of bungee jumping safe. It is somewhat self serving in that I wish to take part in this form of entertainment. In checking to see how they were regulated, I found that the state had no regulations on this industry.

While I don't generally believe in regulations just for the sake of regulating, I realized my safety, as well as others who wish to partake, was at stake. I intended to simply tack a sentence on to the definitions in the existing regulations of carnival rides.

In checking, I was told no Kansas statutes deal with carnival rides. If you had ridden on some of the carnival rides I have in the past, you would be frightened-not from the stomach-turning thrill of the motion; but instead from the fear of whether you would survive the ride without it breaking.

I happened to be present at the Missouri State Fair in Sedalia a couple of years ago when some bolts sheered on a ride. The incident resulted in many injuries and the loss of life.

My intent is not to require a massive amount of regulation. Instead, I intend to make it easy by requiring:

- . a permit to be obtained by the city or county where the event is to take place.
- . as a condition to obtaining the permit, the party shall be required to prove existence of a current insurance policy in an amount of not less than \$100,000 insuring against injury from the operation of the ride.

I will be happy to stand for questions.

F & SA
2-17-93
Atch #1

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February 17, 1993

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Attorney at Law

HOUSE FEDERAL AND STATE AFFAIRS

Mr. Chairman and Members of the Committee:

I represent the Kansas Association of Counties and have been requested to provide testimony regarding HB 2401 and some concerns with the bill from a legal perspective.

The bill provides a requirement for issuing a permit for amusement rides by the City or County. However, the current wording does create some vague areas. The bill defines the term "amusement ride" and speaks in the singular. The ambiguity exists when a county fair or similar event provides entertainment rides through contract with an amusement company. There usually is more than one ride. In some instances, each ride may be owned by a different owner, leased to an amusement company and operated by more than one person.

At line 24-29, it is required that each person who desires to operate a ride get a permit. In line 31-33, it is required that a separate policy for each "ride" would be required. The bill then requires that an insurance policy be issued insuring the owner or operator of "the" ride. From a legal viewing, the language certainly leads one to believe that everything is captioned in the singular. The question I would present is whether it is the legislative intent that if there are 10 rides are 10 permits required with 10 insurance policies of \$100,000? A provision should be added to clarify this issue.

The liability requirement is set at \$100,000. This is a policy decision but I would point out to the committee that the limit is nominal and consideration should be given to increase the liability requirement. Generally, the highest cost for providing insurance is in the first \$100,000 of coverage. To double or triple coverage does not normally result in a double or triple premium. Further, I would suggest that a requirement be included to make the County or City a co-insured under the policy.

Thank you on behalf of my client, the Kansas Association of Counties, for the opportunity to present these concerns.

Respectfully submitted,

Steven R. Wiechman
General Counsel
Kansas Association of Counties

SRW:dim
KAC/HB2401

FvSA
2-17-93
Atch #2