

Approved: Feb. 25, 1994  
Date

## MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS

The meeting was called to order by Chairman Lana Oleen at 11:05 a.m. on February 8, 1994 in Room 254-E of the Capitol.

All members were present

Committee staff present: Mary Galligan, Legislative Research Department  
Mary Ann Torrence, Revisor of Statutes  
Theresa Kiernan, Revisor of Statutes  
Jeanne Eudaley, Committee Secretary

Conferees appearing before the committee:  
See attached agenda

Others attending: See attached list

Sen. Oleen introduced Elizabeth Taylor who presented a proposal (Attachment 1) to the committee regarding fair trade and prohibiting wholesale grocers from selling below cost. Sen. Vidricksen made a motion the committee introduce it as a bill, and it was seconded by Sen. Ramirez; the motion passed. *did not submit*

Sen. Oleen opened the hearing for SB 545 and introduced the following proponents:

Ron Hein, (Attachment 2);  
Chuck Yunker, (Attachment 3).

Joe Berger, representing the Sunflower Clubs, spoke in support of SB 545 and stated all the organizations represented play instant bingo and that it has provided financial help which was badly needed. He urged the committee to pass the bill favorably. One opponent, Don Bird, gave testimony (Attachment 4) opposing the bill. Sen. Oleen passed the fiscal note (Attachment 5) to committee members..

Sen. Oleen announced the hearing for HB 2519 and reminded the committee of a briefing during the interim on the Racing Commission audits. She introduced Randy Tongier, who referred to the interim briefing of the Racing Commission "Compliance and Control Audit Report" (copy available from the Division of Post Audit). Mr. Tongier distributed the Kansas Lottery "Financial and Compliance Audit Report" (copy available from the Division of Post Audit) as an example of the type of report which would be generated by this bill. He distributed the following information to the committee:

"What would be done", (Attachment 6);  
"What is being done now", (Attachment 7);

Mr. Tongier stated the audit report found significant problems in these areas in the Racing Commission's "Compliance and Control Audit Report": revenue and management and management of state property. He stated the Audit Division made recommendations as a part of their normal process to the commission, asking them to respond in writing to those recommendations. The response from the commission is that they are making the needed improvements. In answering questions from the committee, Mr. Tongier stated the audit report includes profits from all facilities, that the commission shows little or no reserve funds, and those amounts are figures after the distribution to charities. Sen. Parkinson asked who would pay for the audit, and Mr. Tongier answered the Racing Commission would; and Sen. Parkinson asked if that would be an additional burden. Ms. Galligan asked if the audit would be done by them, and Mr. Tongier answered the audit would be contracted out.

Sen. Oleen introduced Rep. Jim Lowther, whose subcommittee initiated the bill, and he presented testimony (Attachment 8) to support the bill. He also furnished a chart entitled, "Kansas Parimutuel Racing Act, Sources and Disposition of Funds", (Attachment 9) to the committee. He stated no opponents appeared before the

## CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS, Room 254-E  
Statehouse, at 11:05 a.m. on February 8, 1994.

House committee, and the fiscal note is under \$20,000. Sen. Oleen asked Rep. Lowther if the audit would be done by the Division of Post Audit, or can they contract it out? Rep. Lowther responded Post Audit may elect to contract it out, and that he has no objection to contracting it out. Sen. Oleen recognized Janet Chubb, Executive Director of the Racing Commission. She stated the commission was aware of the bill last year and that they are neutral on the bill and would cooperate in getting financial reports from the tracks for the audit. Sen. Oleen referred to the fiscal note (Attachment 10) and asked Mary Torrence to explain a balloon amendment (Attachment 11), which requires an outside firm to perform the audit. Sen. Oleen, who serves on the Post Audit Committee, commented on the large number of audits pending and what audits would be given priority. Sen. Hensley made a motion the amendment be adopted, and it was seconded by Sen. Tillotson; the motion passed. Sen. Oleen pointed out the bill would be effective upon publication in the Kansas register rather than in the Statute book.. Sen. Hensley made a motion the bill be passed as amended, and it was seconded by Sen. Praeger; the motion passed.

Sen. Oleen referred to the confirmations bill (SB 509) and asked Theresa Kiernan to explain the balloon amendments (Attachment 12), which have been discussed in previous meetings. She also referred to a memorandum (Attachment 13) with a list attached showing boards and commissions affected by this bill. Sen. Oleen stated problems discussed in the committee regarding KBI checks for Gubernatorial appointees and recalled the committee has received the name of the executive director of the Kansas Lottery, with no background checks; and yet, the name of an appointee to the Human Rights Commission, who has been serving on the commission since July, is waiting on background checks. She stated she would like to see this issue addressed by this committee at a later date. Sen. Vidricksen made a motion the amendment be adopted, and it was seconded by Sen. Jones. Sen. Oleen asked if there was discussion before voting on the amendment. Sen. Hensley asked the rationale of changing the manner in which members are appointed to the confirmation oversight committee. Sen. Jones stated he was not comfortable with the OCR appointing, because of changes that can take place and that he believes the makeup of the Oversight Committee should reflect the makeup of the Senate. It would be a statutorily created committee. Sen. Oleen added that she wanted the committee to be made up of three Republicans and 2 Democrats when the bill takes effect, and Sen. Jones again stated he did not want the OCR appointing the Oversight Confirmation Committee - that he had requested the change at the committees' staff meeting. Sen. Jones stated he was concerned the committee could get out of balance and that his concern is that the bill gets through the process. Sen. Hensley stated he would like to specify the committee be made up of five members - 3 from the majority party and two members from the minority party. Sen. Jones stated he had no problem with that. Sen. Oleen recalled the Majority Leader's testimony was that the OCR was the better appointing authority. Sen. Parkinson stated the make-up of the committee could get out of balance with the amendment added, and suggested it could be changed to the majority/minority leaders appointing the committee. Sen. Hensley agreed to the proposed amendment and stated he did not want to delay the bill. Sen. Vidricksen's motion passed, and the amendment was adopted.

Sen. Oleen asked for further action on the bill, and Ms. Kiernan stated there are three technical amendments to strike "qualified" and insert "confirmed" (Attachment 14). Sen. Tillotson made a motion the technical amendments be adopted, and it was seconded by Sen. Praeger; the motion passed. Sen. Parkinson made a motion the committee report SB 509 favorably, and it was seconded by Sen. Praeger; the motion passed.

Sen. Oleen stated she hopes to take action on two other bills tomorrow. She also introduced pages from her district, who have been assisting the committee today.

Meeting adjourned at 12:05.

GUEST LIST

COMMITTEE: Senate Federal & State Affairs

DATE: Feb. 8, 1994

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
Robert Engle	Topeka	ABC
Neal Whitaker	Topeka	KBWA
Jim Conant	Topeka	ABC
Joe Berger	Topeka	Sunflower Club Assoc.
Cliff & Chappell	Topeka	American Legion
Kim Lukins	Topeka	
Ken L Scott	Topeka	KANSAS Lottery
Hally Retz	" "	Video Lottery
Tom Bragg	Topeka	Allen & Assoc.
Dave Johnson	Topeka	K.R.C.
Frances Snell	Topeka	K.R.C.
Janet Chubb	Topeka	KRC
CANDY TONGIER	TOPEKA	Post Audit
Ken Boh	"	Anheuser-Busch
Frances Kastner	Topeka	Ks Food Dealers Assn
Dan Bird	Topeka	KE-LAIB
STEVE KEARNEY	"	CSAK
ELIZABETH E. TAYLOR	TOPEKA	TOB & Candy Assn
J.P. Pollom	Topeka	KRLDA
	"	KCSYLS

Proposal from Elizabeth Taylor  
was not submitted according to  
Jeanne Eudaley, Committee  
Secretary.

*Attach. 2*

**HEIN, EBERT AND WEIR, CHTD.**  
*ATTORNEYS AT LAW*  
5845 S.W. 29th Street, Topeka, KS 66614-2462  
Telefax: (913) 273-9243  
(913) 273-1441

*Ronald R. Hein  
William F. Ebert  
Stephen P. Weir*

**SENATE FEDERAL AND STATE AFFAIRS COMMITTEE**  
**TESTIMONY RE: SB 545**  
**Presented by Ronald R. Hein**  
**on behalf of**  
**Coalition for Instant Bingo**  
**February 8, 1994**

Madam Chairman, Members of the Committee:

My name is Ron Hein, and I am legislative counsel for the Coalition for Instant Bingo. The Coalition for Instant Bingo is a large organization, being comprised of the members of the Kansas Charities Cooperative, the American Legion, the VFW, the Elks, the Eagles, the Knights of Columbus, and the Sunflower Club members.

The Coalition for Instant Bingo supports SB 545, which eliminates the one year repealer provision of the instant bingo legislation which was enacted in 1993.

Instant bingo is an extremely popular game which is played in at least thirty-two states, including all of the surrounding states of Oklahoma, Nebraska, Missouri, and Colorado. In 1993, we predicted that this legislation would be a win/win for the charitable and fraternal organizations which utilize bingo as a fundraising tool for their benevolent operations, and for the state of Kansas, which would receive additional tax revenues from the game.

Mr. Jim Conant distributed material on January 18, 1994, to this committee showing the sales and corresponding 1% bingo enforcement tax receipts by the state for the first five months the game was in operation.

Attached to this testimony, I have prepared a chart which reflects the same numbers Jim Conant passed out to you, but also includes the amount of revenues raised for the state and local units of government by virtue of the sales tax on such instant bingo sales.

These numbers are consistent with our original projection to the legislature that the instant bingo legislation could raise between \$500,000 and \$1 million in tax revenue for the state each year.

*Senate Fed. State  
Feb. 8, 1994  
Attachment # 2*

The one year repealer was put into the 1993 legislation for two reasons. One, to insure that the fiscal note was positive for the state, which obviously, it has been.

The second issue was is instant bingo constitutional. The Attorney General filed an action challenging the constitutionality of the instant bingo legislation, which was filed against the Department of Revenue. The Department of Revenue and the Topeka Moose Lodge, which was a representative organization of the Coalition for Instant Bingo, and which filed a Motion to Intervene in the action, were successful in their efforts to have the legislation declared constitutional by the Shawnee County District Court Judge hearing the matter. The Judge declared the act constitutional on a ruling from the bench, following a Motion for Summary Judgment which had been filed by the Attorney General.

However, the Attorney General has decided to appeal the litigation to the Court of Appeals, and that appeal will be heard later on this year.

The Coalition strongly believes that this appeal should have no impact on the passage of SB 545. If the appeal is unsuccessful, and the District Court decision declaring the instant bingo legislation constitutional is upheld by the Appellate Court, then there would be no further need for repealer legislation on the books. If the appeal is successful, and the act is struck down as unconstitutional, then the act will be null and void anyway, and, once again, there would be no need for a repealer action, as the court action would stop the legislation instantly.

Therefore, we strongly urge the committee and the legislature to approve SB 545.

Thank you very much for permitting me to testify, and I will be happy to yield to questions.

# BINGO STATISTICS - FY 94

'93

MONTH OF SALES	MONTH REC'D.	SALES	1% TAX	4.9% STATE TAX	TOTAL STATE TAX
July	Aug.	\$ 271,300	\$ 2,713	\$ 16,636	\$ 19,349
Aug.	Sept.	1,943,700	19,437	95,241	114,678
Sept.	Oct.	1,055,500	10,555	51,719	62,274
Oct.	Nov.	897,800	8,978	43,992	52,970
Nov.	Dec.	636,400	6,364	31,183	37,547
Dec.	Jan.	862,500	8,625	42,262	50,887
TOTALS		\$ 4,867,200	\$ 56,672	\$281,033	\$337,705
MONTHLY AVG		\$ 811,200	\$ 9,445	\$ 46,838	\$ 56,284
ANNUALIZED		\$ 9,734,400	\$113,340	\$562,056	\$675,408

SENATE FEDERAL AND STATE AFFAIRS COMMITTEE  
TESTIMONY BY CHARLES M. YUNKER  
ADJUTANT, KANSAS AMERICAN LEGION  
ON SENATE BILL 545

Thank you for providing me the opportunity this morning to testify on behalf of the more than 90,000 members of The Kansas American Legion, American Legion Auxiliary and Sons of The American Legion in favor of Senate Bill 545. I want to thank this committee for introducing SB 545 which would remove the repealer, or sunset clause, from the current Kansas Bingo laws regarding Instant Bingo.

In retrospect I think the repealer placed on Instant Bingo last year was a good idea. Although I wish we wouldn't be discussing Bingo this year (or any future year for that matter) the repealer has provided everyone, (the State, Bingo Operators, and the public) a time frame in which to review Instant Bingo's performance as both a revenue generating source and as entertainment for the participant.

Based upon the report this Committee received two weeks ago from Bingo Enforcement; Instant Bingo is proving to be successful on all fronts. That is; the overall revenue of Bingo sales is up, therefore revenue to the State of Kansas in the form of Enforcement taxes and sales taxes to the State General Fund is up. Further, the tax receipts to the State are consistent with the projections presented to the Legislature last year by the proponents of Instant Bingo, and all at very minimal increases in costs or labor to the State.

Given the performance and public acceptance of Instant Bingo, I believe House Bill 545 is non-controversial and urge your passage thus making Instant Bingo a permanent part of the Kansas Bingo Laws.

*Senate Fed + State*  
*Feb. 8, 1994*  
*Attachment #3*



TO: The Honorable Lana Oleen, Chairperson  
Senate Committee on Federal and State Affairs

FROM: Don Bird  
Kansans For Life At Its Best

DATE: February 8, 1994

RE: Senate Bill No. 545

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We are here in opposition to SB 545 and would like to raise some questions in reference to Judge Buchele's decision concerning the constitutionality of instant bingo.

- 1) Is our understanding correct, that the definition of bingo is not limited to its classic application but that it can assume any number of possible forms that the legislature may choose?
- 2) If this is the case, could the legislature in the future create bingo video, bingo slots, etc., etc.?
- 3) If that is true, can we assume, then, that as far back as 1975 the legislature could have conceivably created these same exotic forms of bingo?

If the answers to these questions are potentially in the affirmative, we would encourage the legislature to step back from Pandora's Box, leave the statute as it currently exists, and allow instant bingo to lapse.

We further ask the committee to urge the attorney general to carry through with the appeal of Judge Buchele's decision.

*Senate Fed. State*  
*Feb. 8, 1994*  
*Attachment # 4*

STATE OF KANSAS



DIVISION OF THE BUDGET

Room 152-E  
State Capitol Building  
Topeka, Kansas 66612-1504  
(913) 296-2436  
FAX (913) 296-0231

Joan Finney  
Governor

Gloria M. Timmer  
Director

February 2, 1994

The Honorable Lana Oleen, Chairperson  
Senate Committee on Federal and State Affairs  
Statehouse, Room 136-N  
Topeka, Kansas 66612

Dear Senator Oleen:

SUBJECT: Fiscal Note for SB 545 by Senate Committee on  
Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning SB 545 is respectfully submitted to your committee.

This bill would eliminate the sunset provision on instant bingo games. Current law requires that instant bingo games cease on July 1, 1994. The bill would be effective upon its publication in the statute book.

No state or local fiscal impact would be anticipated upon passage of this act. If this act fails to pass, revenues to state and local units of government from the bingo tax and the sales tax would be reduced. Based on actual revenues from the bingo tax of \$48,047 on ticket sales of \$4.8 million in the first five months of FY 1994, total annual bingo tax revenues of \$115,308 on ticket sales of \$11,530,800 are estimated. Revenues from this source are divided, with 1/3 credited to the State General Fund, 1/3 credited to the State Bingo Enforcement Fund, and 1/3 to the County and City Bingo Fund. The third fund provides monies to the counties and cities to assist in the enforcement of bingo laws of the state.

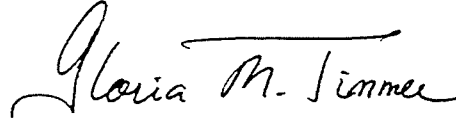
It is estimated that sales tax revenue to the state would total \$565,009 in FY 1994. In addition, local sales taxes of cities and counties would be reduced in amounts based on the amount of sales in the affected jurisdiction and the sales tax rate imposed if this bill does not pass.

*Senate Fed. State*  
*Feb 8, 1994*  
*Attachment # 5*

The Honorable Lana Oleen, Chairperson  
February 2, 1994  
Page 2

The reduction of \$680,317, of which \$38,436 would be a reduction to local units of government, is based on sales tax and bingo tax revenue estimates for FY 1994. These amounts are not reflected in the FY 1995 Governor's Budget Report.

Sincerely,

A handwritten signature in cursive script that reads "Gloria M. Timmer". The signature is written in dark ink and is positioned above the printed name and title.

Gloria M. Timmer  
Director of the Budget

cc: Steve Stotts - Revenue

## WHAT WOULD BE DONE

### FINANCIAL-COMPLIANCE AUDIT EACH YEAR

#### Financial-Compliance Audit Report Content

- ◇ Auditor's Opinion on the Audited Agency's Financial Statement Presentation  
Is that presentation made in accordance with the accounting profession's rules?
- ◇ Auditor's Report on the Audited Agency's Internal Controls  
Are the agency's financial management practices adequate?
- ◇ Auditor's Opinion on the Audited Agency's Compliance with Legal Requirements  
Did the agency comply with applicable requirements?

EXAMPLE: Kansas Lottery (Fiscal Year 1992) Audit Report

#### Existing Statutory Requirements for Annual Financial-Compliance Audits (For Comparison Purposes)

- ◇ Statewide Audit -- An audit of the State's financial management practices, focusing on the Division of Accounts and Reports. The primary concern is financial integrity on behalf of the State's taxpayers.
- ◇ Kansas Public Employees Retirement System -- An audit of the Retirement System's financial management practices. The primary concern is the System's fiduciary responsibility on behalf of the System's members and participating employers.
- ◇ Kansas Lottery -- An audit of the Lottery's financial management practices. The primary concern is the financial integrity of the Lottery on behalf of the players.
- ◇ State Treasurer's Office -- An audit of the State Treasurer's financial management practices. The primary concern is the fiduciary responsibility of the Treasurer on behalf of the State's taxpayers and local units of government participating in the Municipal Investment Pool.

### ASSESSMENT OF LICENSEES' FINANCIAL CONDITION EACH YEAR

- ◇ What is the financial condition of the organization licensees, facility owner licensees, and facility manager licensees for the race tracks?

EXAMPLE: Pages from the performance audit report, Reviewing Racing Commission Records Regarding Race Track Operations

*Senate Fed + State*  
*Feb. 8, 1994*  
*Attachment # 6*

WHAT IS BEING DONE NOW

**COMPLIANCE AND CONTROL AUDIT  
ONCE EVERY THREE YEARS**

- ◇ Review of financial management practices in selected areas to determine if those practices are adequate and meet applicable requirements.

EXAMPLE: Racing Commission (Issued November 1993) Compliance and Control Audit Report - Revenue & Mgt.

Problems - Mgt. - State Property  
Recommendations

Racing Comm. Response -  
Make needed improvements

Senate Fed. State  
Feb. 8, 1994  
Attachment #7

Attach. 8

STATE OF KANSAS



TOPEKA

HOUSE OF  
REPRESENTATIVES

JAMES E. LOWTHER  
REPRESENTATIVE, 60TH DISTRICT  
LYON COUNTY  
1549 BERKELEY ROAD  
EMPORIA, KANSAS 66801

COMMITTEE ASSIGNMENTS  
CHAIRMAN: LEGISLATIVE POST AUDIT COMMITTEE  
SUBCOMMITTEE CHAIRMAN: APPROPRIATIONS  
MEMBER: EDUCATION  
TAXATION

Testimony Before the  
Senate Federal and State Affairs Committee  
HB 2519

In 1993 the House Appropriations Committee recommended and the House passed HB 2519 to require an annual financial-compliance audit of the Racing Commission as well as three major licensees. The audit by the Division of Legislative Post Audit (LPA) would include the financial statements of the race tracks. Currently the commission is audited only every three years.

During the budget process last year, the subcommittee became concerned over several accounting and bookkeeping issues such as how certain employees were paid. Questions on overtime pay and over how Vet Techs are paid arose. This year again questions arose over a possible short-fall in cash flow affecting the transfer to the SGRF. An analysis of the Racing Reimbursable Expense Fund indicates a low balance problem in meeting the payroll at the end of the fiscal year. The LPA report completed last year identified problems the Commission has addressed.

Janet Chubb, the Executive Director of the Commission, says they are neutral on the bill. They look at an audit as additional outside oversight. The KBI Gaming Unit is active year around checking licenses, doing background checks, etc. Each sponsoring organization and each track files annual financial audits done by CPA firms they contract with. The Commission has the responsibility of reviewing and monitoring the reports and disposition of funds.

In FY 1993, over \$222 million passed through betting windows. Taxes and fees totaled over \$7.5 million. Over \$5.8 million transferred to the SGRF. Track operators handle the "take-out": the taxes collected, the purses paid and their track commissions. The chart shows the sources

*Senate Fed. State*  
*Feb. 8, 1994.*  
*Attachment #8*

and disposition of funds. You can see this is a complex system with a lot of players involved.

Current law requires an annual financial audit of the Kansas Lottery. It seems prudent that the Racing Commission also should be audited each year. The Commission has been extremely cooperative in responding to the CPA recommendations and in working with the subcommittee. I think an annual financial audit would be helpful to them in working to improve their operations.

Last session, there no opponents to the bill before the House committee. The LPA estimates the fiscal note to the commission to be only \$15,000 to \$20,000 a year.

I ask for your favorable consideration of HB 2519.

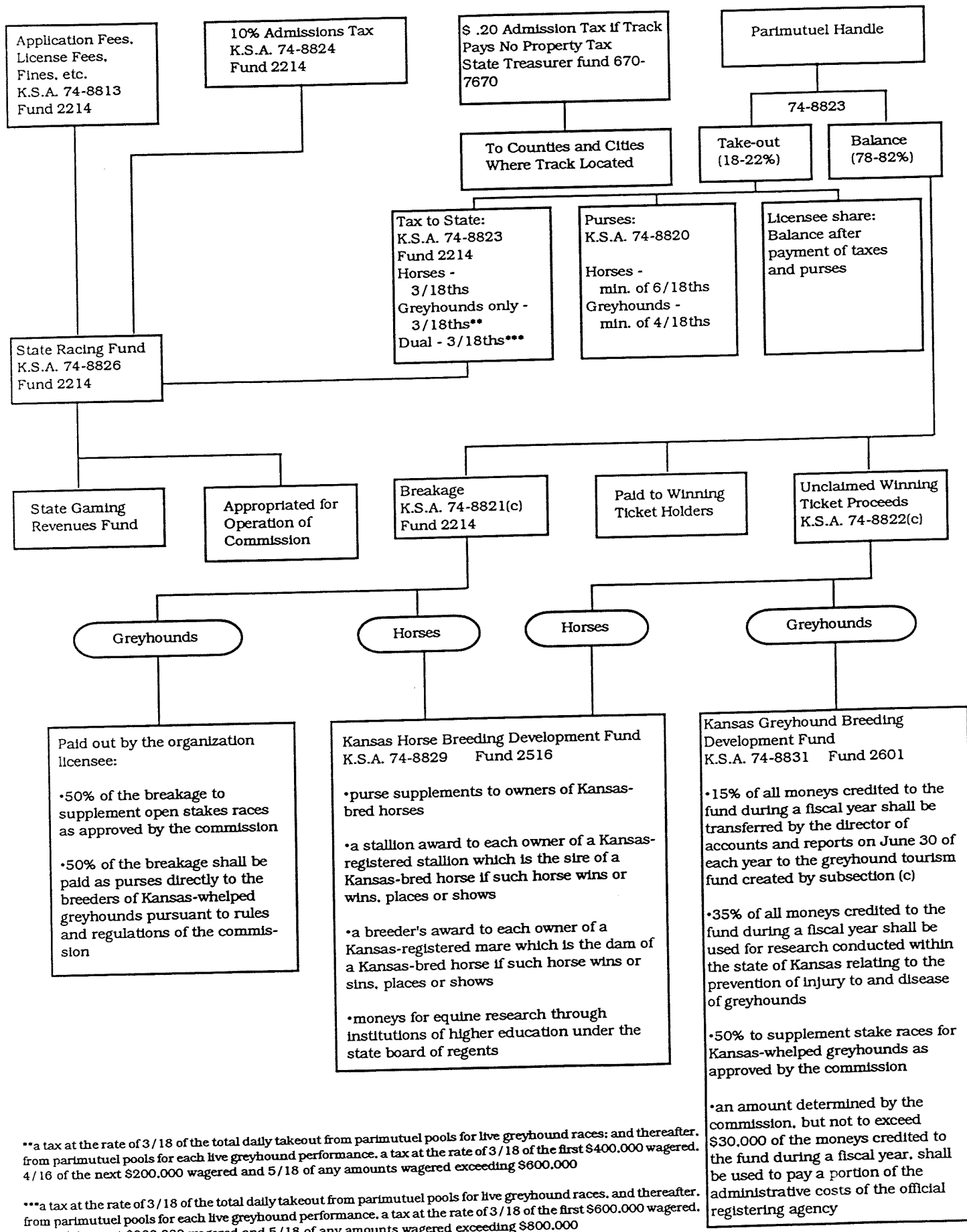
Representative James Lowther

February 8, 1994

# Kansas Parimutuel Racing Act Sources and Disposition of Funds

17 tracks 9

LOW to 2



*Senate Fed. State  
Feb 8, 1994  
Attachment 9*





DIVISION OF THE BUDGET

Room 152-E  
State Capitol Building  
Topeka, Kansas 66612-1504  
(913) 296-2436  
FAX (913) 296-0231

Joan Finney  
Governor

Gloria M. Timmer  
Director

March 10, 1993

The Honorable Clyde Graeber, Chairperson  
Committee on Federal and State Affairs  
Statehouse, Room 115-S  
Topeka, Kansas 66612

Dear Representative Graeber:

SUBJECT: Fiscal Note for HB 2519 by House Committee on  
Appropriations

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2519 is respectfully submitted to your committee.

HB 2519 would subject the Kansas Racing Commission to an annual financial-compliance audit under the Legislative Post Audit Act. Each audit would include an assessment of the financial condition of each race track facility and facility manager licensee regulated by the Racing Commission. The bill requires that the audit be performed as soon as is practicable after the close of the fiscal year. The Racing Commission would be required to reimburse the Division of Post Audit for the amount computed as the cost of providing the audit required by the bill.

The bill would have a fiscal impact, depending on the annual cost of the audit. Since the Racing Commission would finance this cost from the State Racing Fund, the bill would reduce the funds available for transfer from the State Racing Fund to the State Gaming Revenues Fund by the cost of the annual audit.

Sincerely,

A handwritten signature in cursive script that reads "Gloria M. Timmer".

Gloria M. Timmer  
Director of the Budget

cc: Frances Snell, Racing Commission

*Senate Fed + State*  
*Feb. 8, 1994*  
*Attachment #10*

Attach. 11

As Amended by House Committee

Session of 1993

## HOUSE BILL No. 2519

By Committee on Appropriations

2-25

9 AN ACT concerning the Kansas racing commission; relating to pro-  
10 cedures for conducting certain annual audits and reviews; pre-  
11 scribing powers, duties and functions for the division of post audit,  
12 legislative post audit committee and the contract audit committee.  
13

14 *Be it enacted by the Legislature of the State of Kansas:*

15 Section 1. (a) The accounts and transactions of the ~~Kansas racing~~  
16 commission shall be subject to an annual financial-compliance audit,  
17 and such other audits as directed by the legislative post audit com-  
18 mittee, under the legislative post audit act. Each such audit shall  
19 include a review of revenues and expenditures of the commission  
20 and an assessment of the financial condition of each ~~race track~~  
21 ~~facility organization licensee, facility owner licensee and facility~~  
22 ~~manager licensee regulated by the commission, to the extent directed~~  
23 ~~by the legislative post audit committee. The annual audit shall be~~  
24 ~~conducted as soon after the close of the fiscal year as practicable.~~

25 (b) The auditor to conduct this audit work shall be ~~specified in~~  
26 ~~accordance with K.S.A. 46-1122 and amendments thereto. If the~~  
27 ~~legislative post audit committee specifies under such statute that a~~  
28 ~~firm, as defined by K.S.A. 46-1112 and amendments thereto, is to~~  
29 ~~perform all or part of such audit work, such firm shall be selected~~  
30 ~~and shall perform such audit work as provided in K.S.A. 46-1123~~  
31 ~~and amendments thereto and K.S.A. 46-1125 through 46-1127 and~~  
32 ~~amendments thereto.~~

33 (c) The post auditor shall compute annually the reasonably an-  
34 ticipated cost of providing audits pursuant to this section, subject to  
35 review and approval by the contract audit committee established by  
36 K.S.A. 46-1120 and amendments thereto. Upon such approval, the  
37 ~~Kansas racing~~ commission shall reimburse the division of post audit  
38 for the amount approved by the contract audit committee. The fur-  
39 nishing of audit services pursuant to this section shall be a transaction  
40 between the post auditor and the ~~Kansas racing~~ commission and  
41 shall be settled in accordance with the provisions of K.S.A. 75-5516  
42 and amendments thereto.

43 (d) This section shall be part of and supplemental to the Kansas

a firm, as defined by K.S.A. 46-1112 and  
amendments thereto, which

Amended  
Feb. 8, 1994  
Attachment # 11

# SENATE BILL No. 509

By Committee on Federal and State Affairs

1-14

8 AN ACT concerning state boards and commissions; relating to the  
9 powers, duties and functions of members thereof; relating to the  
10 terms thereof; amending K.S.A. 22-3707, 44-709, 44-1003, 74-601,  
11 74-2433, 74-3004, 74-3201, 74-5073, 74-7303, 74-8709, 74-8803,  
12 74-8903 and 75-4323 and K.S.A. 1993 Supp. 17-2232, 22-4519,  
13 74-2622, 74-4905, 74-8001, 74-8101, 75-2929a and 75-4221a and  
14 repealing the existing sections.

15  
16 *Be it enacted by the Legislature of the State of Kansas:*

17 New Section 1. (a) There is hereby established the confirmation  
18 oversight committee which shall have five members. ~~Three of such~~  
19 ~~members shall be appointed by the majority leader of the senate~~  
20 ~~and two members shall be appointed by the minority leader of the~~  
21 ~~senate. The majority leader shall designate the chairperson and vice~~  
22 ~~chairperson of such committee.~~ The committee shall meet on the  
23 call of the chairperson or any three members of the committee.

24 (b) If a vacancy, by death or resignation, occurs in the mem-  
25 bership of a board, commission, council, committee, authority or  
26 other governmental body and the appointment to fill such vacancy  
27 is subject to confirmation by the senate as provided in K.S.A. 75-  
28 4315b, and amendments thereto, and such vacancy occurs at a time  
29 when the legislature is not in regular or special session, the confir-  
30 mation oversight committee may authorize, by a majority vote  
31 thereof, the person appointed to fill such vacancy to exercise the  
32 powers, duties and functions of the office until such appointment is  
33 confirmed by the senate in the manner provided by K.S.A. 75-4315b,  
34 and amendments thereto, at the next regular or special session of  
35 the legislature.

36 Prior to authorizing any person to exercise the powers, duties and  
37 functions of an office pursuant to subsection (a), the confirmation  
38 oversight committee may require such person to appear before the  
39 committee.

40 (c) (1) If the confirmation oversight committee authorizes a per-  
41 son appointed to fill a vacancy to exercise the powers, duties and  
42 functions of an office as provided by subsection (a), such person shall  
43 not be subject to confirmation by the senate if at the time of such

Members of the confirmation oversight committee shall be appointed in the manner provided by senate rule for the appointment of members of standing committees of the senate.

*Senate File - State  
Dec. 8, 1994  
Attachment #12*

1 person's appointment the unexpired term of such office ~~is less than~~  
 2 ~~one half of the full term.~~

there is less than six months in

3 (2) The provisions of this subsection shall not apply to appoint-  
 4 ments to the state board of regents.

5 Sec. 2. K.S.A. 1993 Supp. 17-2232 is hereby amended to read  
 6 as follows: 17-2232. (a) The governor shall appoint a seven-member  
 7 credit union council. Each member shall be a resident of Kansas.  
 8 *Except as provided by subsection (b),* appointments to the council  
 9 shall be for terms of three years. Persons appointed to the council  
 10 shall be subject to confirmation by the senate as provided in K.S.A.  
 11 75-4315b, and amendments thereto. *Except as provided by section*  
 12 *1, no person shall exercise any power, duty or function as a member*  
 13 *of the council until confirmed by the senate.* Five of the persons  
 14 appointed shall be members in good standing and officers of Kansas  
 15 state chartered credit unions. Subject to the provisions of K.S.A.  
 16 1993 Supp. 75-4315c, and amendments thereto, of those five mem-  
 17 bers, the governor shall appoint one from each congressional district  
 18 and the remainder from the state at large. The council shall elect  
 19 annually a chairperson, a vice-chairperson and a secretary for a term  
 20 of one year or until their successors have been appointed and qual-  
 21 ified. All members of the council shall serve until their successors  
 22 have been appointed and qualified. Kansas state chartered credit  
 23 unions regulated under the provisions of this act may submit annually  
 24 to the governor, for consideration in making appointments to the  
 25 credit union council, a list of persons having the prescribed quali-  
 26 fications for membership on the council. The council may adopt such  
 27 rules and regulations governing the compilation of such list as may  
 28 be necessary. Vacancies on the council shall be filled for the unex-  
 29 pired term by appointment by the governor. No person shall serve  
 30 more than two consecutive terms as a member of the council. No  
 31 more than four members of the council shall be from the same  
 32 political party.

33 (b) *The terms of members who are serving on the council on the*  
 34 *effective date of this act shall expire on March 1, of the year in*  
 35 *which such member's term would have expired under the provisions*  
 36 *of this section prior to amendment by this act. Thereafter, members*  
 37 *shall be appointed for terms of three years and until their successors*  
 38 *are appointed and confirmed.*

39 (b) (c) Council meetings shall be on call of a majority of the  
 40 council or the chairperson. The council shall hold one regular meet-  
 41 ing during each quarter of the year, upon such dates and at such  
 42 places as designated by the council, and may hold such other meet-  
 43 ings as the council considers necessary. The majority of the council

The following boards or commissions are affected by SB 509:

Credit Union Council  
Kansas Parole Board  
State Board of Indigents' Defense Services  
Employment Security Board of Review  
Kansas Human Rights Commission  
State Corporation Commission  
State Board of Tax Appeals  
Kansas Water Authority  
State Banking Board  
Board of Regents  
KPERS Board of Trustees  
Kansas Export Loan Guarantee Committee  
Crime Victims Compensation Board  
Kansas, Inc.  
Kansas Technology Enterprise Corp. (KTEC)  
Kansas Lottery Commission  
Kansas Racing Commission  
Kansas Development Finance Authority  
State Civil Service Board  
Pooled Money Investment Board  
Public Employee Relations Board

*Senate Fed. State*  
*Feb 8, 1994*  
*Attachment # 13*

REPORTS OF STANDING COMMITTEES

MR. PRESIDENT:

Your Committee on Federal and State Affairs

Recommends that Senate Bill No. 509

"AN ACT concerning state boards and commissions; relating to the powers, duties and functions of members thereof; relating to the terms thereof; amending K.S.A. 22-3707, 44-709, 44-1003, 74-601, 74-2433, 74-3004, 74-3201, 74-5073, 74-7303, 74-8709, 74-8803, 74-8903 and 75-4323 and K.S.A. 1993 Supp. 17-2232, 22-4519, 74-2622, 74-4905, 74-8001, 74-8101, 75-2929a and 75-4221a and repealing the existing sections."

Be amended:

On page 1, in line 18, by striking all after the period; by striking all in lines 19, 20 and 21; in line 22, by striking all before "The" and inserting "Members of the confirmation oversight committee shall be appointed in the manner provided by senate rule for the appointment of members of standing committees of the senate.";

On page 2, in line 1, following "appointment" by inserting "there is less than six months in"; also in line 1, by striking "is less than"; in line 2, by striking all before the period; in line 22, by striking "qualified" and inserting "confirmed";

On page 7, in line 19, by striking "qualified" and inserting "confirmed";

On page 15, in line 39, by striking "qualified" and inserting "confirmed";

And the bill be passed as amended.

\_\_\_\_\_  
Chairperson

*Senate Fed. State*  
*Feb. 8, 1994*  
*Attachment #14*