

MINUTES OF THE SENATE FEDERAL AND STATE AFFAIRS.

The meeting was called to order by Chairperson Senator Lana Oleen at 11:05 a.m. on January 13, 2000 in Room 254-E of the Capitol.

All members were present except: Senator Ben Vidricksen, Excused

Committee staff present: Mary Galligan, Legislative Research Department  
Russell Mills, Legislative Research Department  
Theresa Kiernan, Revisor of Statutes  
Judy Glasgow, Committee Secretary  
Amanda Bundren, Administrative Assistant

Conferees appearing before the committee:

Mr. Randy Tongier, Legislative Division of Post Audit  
Mr. Greg Ziemak, Executive Director, Kansas State Lottery

Others attending: See Attached list

Chairman Oleen called on Russell Mills, Legislative Research Department Staff, to review the new bills assigned for the committee.

The chair called for introduction of bills. There were none.

Chairman Oleen recognized Randy Tongier, Legislative Division of Post Audit. Mr. Tongier provided copies of The Financial and Compliance Audit Report, Kansas Lottery Fiscal Year 1999, performed by Berberich Trahan & Co., P.A to members of the committee and presented an overview of the report. A copy of the report may be obtained from Legislative Research Department. There were three items that were reviewed in the audit. 1) The reporting entity 2) significant accounting policies and 3) compliance requirements. All items were found to be in conformity with generally accepted accounting principles and there were no exceptions noted..

Chairman Oleen called upon Greg Ziemak, Executive Director, Kansas Lottery, to answer questions and respond to the review. Questions from members concerned the amount of unclaimed prize money for 1999 and the length of time the money can be carried over. Mr. Ziemak stated that the audit showed more than 5 million dollars in prize liability (unclaimed prize money) and the money is carried over one year. He stated that all unclaimed prize money must be used by statute as prizes in new lottery games to players. Mr. Ziemak also reviewed for the committee how a new lottery game is approved in Kansas through the Lottery Commission and the Governor, according to law.

Chairman Oleen requested that Mr. Ziemak inform the committee about his recent election. He stated that he had been elected President of the North American Association of State and Provincial Lotteries (NASPL) which consists of 38 member states, the District of Columbia and 6 Canadian Provinces. The purpose of this organization is to follow regulation changes and to exchange information among members of NASPL. He stated that at this time there are two bills at the Federal level on internet gambling, one in the House and one in the Senate that NASPL is following.

The Chairman requested that Mr. Ziemak provide the committee with an accounting of how the money from the Economic Development Initiative fund was distributed in 1999.

Chairman Oleen introduced her administrative assistant for this session, Amanda Bundren. She is a first year law student at Washburn University.

The meeting adjourned at 11:45 a.m. The next meeting will be held Tuesday, January 18, 2000 at 11:00 a.m.