

MINUTES OF THE SENATE FEDERAL AND STATE AFFAIRS.

The meeting was called to order by Chairperson Senator Lana Oleen at 11:00 a.m. on March 23, 2000 in Room 245-N of the Capitol.

All members were present except: Senator Nancey Harrington, excused

Committee staff present: Mary Galligan, Legislative Research Department
Russell Mills, Legislative Research Department
Judy Glasgow, Committee Secretary

Conferees appearing before the committee:

Brad Smoot, Kansas Racing, L.L.C.
Bob Alderson, Kansas Greyhound Association
Meredith Sloan, Kansas Thoroughbred Association
Jeff Rutland, Thoroughbred Owners for Improved Racing
Bob Johannes, Kansas Bowling Proprietors Asso.
Gary Smith, Kansans for Pari-mutual Racing

Others attending: See Attached Sheet

Chairman Oleen opened the hearing on

SB 667—Act concerning racing and gaming; concerning electronics gaming machines

Chairman Oleen recognized Brad Smoot, Kansas Racing, L.L.C., as a proponent for **SB 667**. Mr. Smoot stated that Kansas Racing, L.L.C. is comprised of The Woodlands, Wichita Greyhound Park and Camptown. (Attachment 1). He stated that with slot machines at three parimutuel tracks Kansas could generate gaming dollars in the amount of \$260 million. Mr. Smoot stated that the bill provides that there be a public vote in each of the three counties where the facilities are located.

Chairman Oleen recognized Senator Jones as a proponent to **SB 667**. Senator Jones presented a signed memorandum that the Wyandotte County and Leavenworth County delegation had signed supporting gaming entertainment at The Woodlands. (Attachment 2)

Chairman Oleen recognized Bob Alderson, Kansas Greyhound Association, as a proponent to **SB 667**. Mr. Alderson pointed that greyhound racing in Kansas has been declining because of the impact that riverboat casinos in Missouri and Native American casinos in Kansas have had on parimutuel facilities. (Attachment 3). He stated that KGA believes that **SB 667** will reverse this trend. Mr. Alderson stated that the purpose of this bill is to restore horse and dog racing at facilities in Kansas to the level it was prior to riverboat casinos and Native American casinos in Kansas.

Chairman Oleen stated that after consulting with committee members, the committee will continue hearings on the bill Friday upon first adjournment in order to give everyone an opportunity to testify. She then announced that the hearing would continue with opponents.

Chairman Oleen recognized Gary Smith, Kansans for Parimutuel Racing, as an opponent to **SB 667**. Mr. Smith stated that he is opposing this bill because it does not meet the needs of agri-business in Kansas. (Attachment 4). He stated that to be beneficial to agri-business in Kansas legislature must guarantee at least 60 days per year of live racing. Mr. Smith stated the 3.5% that is being offered in the bill, is too little to make horse racing and breeding competitive with neighboring racing and gaming neighbors.

CONTINUATION SHEET

Chairman Oleen recognized Jeff Rutland, representing Thoroughbred Owners for Improved Racing and Kansas Quarter Horse Racing Association, as an opponent to **SB 667**. Mr. Rutland stated that these organizations support the concept of electronic gaming machines at parimutuel facilities, but are an opposition to **SB 667**, because this bill does not offer the proper configuration to allow benefits for all. Mr. Rutland offered several changes to the bill that would of more benefit to the agri business industry. (Attachment 5).

Chairman Oleen recognized Bob Johannes, representing Kansas Bowling Proprietors Association, as an opponent to **SB 667**. Mr. Johannes state that all segments of the entertainment industry in Kansas have felt the presence of riverboat gambling in Missouri. (Attachment 6). He stated that the bowling industry contribute to the Kansas economy with 127 bowling centers and has 2600 employees, with a payroll in excess of 16 million dollars. Mr. Johannes stated that the state should not single out one group and give them additional monopoly privileges, because to do so will hasten the decline of the other entertainment segments in the State of Kansas.

Chairman Oleen ask if there were any proponents who would not be able to return on Friday to give testimony and recognized Meridith Sloan. Ms. Sloan stated that she appeared before the committee as President of Kansas Thoroughbred Association and Kansas horseman, and as a business woman and taxpayer in the state. (Attachment 7). She stated that owners and breeders throughout the state support this bill. Ms. Sloan stated that these organizations want their industry to flourish in Kansas and this bill will help.

Time was given for conferees to respond to questions that committee members had.

Chairman Oleen introduced, Vi Bui, a senior from Manhattan High School, who is shadowing the Senator for the day.

Meeting adjourned at 12:07 p.m. The next meeting will be held March 24, 2000, 11:00 a.m.