

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE  
SPECIAL LEGISLATIVE SESSION - 2005

The meeting was called to order by Chairman Dwayne Umbarger at 3:45 P.M. on June 23, 2005, in Room 123-S of the Capitol.

All members were present.

Committee staff present:

Norman Furse, Revisor of Statutes  
Jill Wolters, Senior Assistant, Revisor of Statutes  
Alan Conroy, Director, Kansas Legislative Research Department  
J. G. Scott, Kansas Legislative Research Department  
Leah Robinson, Kansas Legislative Research Department  
Michelle Alishahi, Kansas Legislative Research Department  
Reagan Cussimano, Kansas Legislative Research Department  
Amy Deckard, Kansas Legislative Research Department  
Audrey Dunkel, Kansas Legislative Research Department  
Julian Efird, Kansas Legislative Research Department  
Debra Hollon, Kansas Legislative Research Department  
Susan Kannarr, Kansas Legislative Research Department  
Becky Krahl, Kansas Legislative Research Department  
Carolyn Rampey, Kansas Legislative Research Department  
Matt Spurgin, Kansas Legislative Research Department  
Amy VanHouse, Kansas Legislative Research Department  
Robert Waller, Kansas Legislative Research Department  
Judy Bromich, Administrative Analyst  
Mary Shaw, Committee Secretary

Conferees appearing before the committee:

Jonathan Small, on behalf of the Kansas Army National Guard  
Senator Dennis Pyle  
Mark Beck, Director, Kansas Department of Revenue

Others attending:

See attached list.

### **Bill Introductions**

Chairman Umbarger welcomed Jonathan Small, on behalf of the Kansas Army National Guard Association of Topeka, who explained a bill introduction regarding the refund of motor vehicle taxes due on automobiles. He explained that it appears to fix a gap that would apply to soldiers mobilized for duty in Iraq and it back dates it for a year to allow those that were mobilized earlier back to December 31, 2003. He noted that this bill would apply to all military services. (No written testimony was provided.)

The Chairman welcomed Senator Dennis Pyle who explained that he was contacted by some Kansas National Guard members when they returned home and applied for this exemption, it was denied. He noted that the money would come from the county and not the State and noted that according to Kansas Legislative Research Department, those that fell through the crack are those who did not receive an exemption during calendar year 2004 when some were deployed or stationed during 2004 and the statute date for the bills started December 31, 2004. (No written testimony was provided.)

Chairman Umbarger welcomed Mark Beck, Director, Property Valuation, Kansas Department of Revenue, explained that the issue was that when the bill was passed in 2004 it had a July 1 date rather than a calendar year date. Mr. Beck noted that there are six months of people that are eligible for the exemption that were not covered and this bill would correct that problem.

Senator Emler moved, with a second by Senator Barone, to introduce a bill regarding the application of motor

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MINUTES OF THE Senate Ways and Means Committee at 3:45 P.M. on June 23, 2005, in Room 123-S of the Capitol.

vehicle tax exemption for certain members of military (5rs9075). Motion carried on a voice vote.

Chairman Umbarger explained that a resolution has been presented to the committee to consider for introduction and the committee reviewed the draft of the resolution. Following committee discussion, the Chairman indicated that it would be the intent that Senate Ways and Means would consider this resolution in committee.

Senator Emler moved, with a second by Senator Taddiken, to introduce a resolution in regard to the Augenblick & Myers school funding study (5rs9074). Motion carried on a voice vote.

Senator Morris explained that **SB 2** should be brought back to the committee to discuss benefit districts, which are in the bill, and for that reason the bill was brought back to the committee along with some proposed amendments to the bill. The Chairman called the Committee's attention to discussion of:

**SB 2 – Kansas expanded lottery act; authorizing casinos in certain development zones; authorizing video lottery terminals at parimutuel racetracks**

Chairman Umbarger acknowledged Mary Ann Torrence, Senior Assistant Revisor, who gave a briefing on **SB 2**. Copies of a Corrected Explainer for **SB 2**, Kansas Expanded Lottery Act, compiled by Kansas Legislative Research Department, were distributed to the committee (Attachment 1). Copies of the corrected Supplemental Note on **SB 2** as introduced by Senate Ways and Means were also distributed (Attachment 2). The Revisor reviewed the bill section by section with the committee. Committee questions and discussion followed.

Senator Wysong moved to amend **SB 2**, with a second by Senator Barone, to delete the incentive provisions in the bill on page 9, (g) (2), beginning on line 41 through page 10, line 13; on page 9, (f) (2), line 32, change the \$30,000,000 to require \$90,000,000 investment in a casino for a destination development zone that is not designated in the northeast or south-central zones and on page 10, specify the percentage, not to exceed 22 percent of residual lottery gaming facility revenues to be paid to the manager. Motion carried on a voice vote.

Senator Umbarger moved, with a second by Senator Emler, to amend **SB 2** to add a provision on page 35, New Sec. 31, Subsection (9) to clarify that the transfer of the 24.0 percent gross revenue from the Video Lottery Terminals (VLTs) to the Kansas Education Opportunity Trust Fund. Motion carried on a voice vote.

Senator Barone moved, with a second by Senator Emler, to amend **SB 2** regarding the accelerated lottery payment on page 12, line 13, to change it from 180 days to 30 days. Motion carried on a voice vote.

Senator Betts distributed a letter regarding the Gaming Position Statement, City of Wichita (Attachment 3). He explained that Wichita has been hit hard since 9/11 due to the layoffs from Boeing and Sedgwick County has the largest school districts in the Midwest. Senator Betts moved to amend **SB 2** on page 8, line 12, following the word northeast to insert "south-central" and in line 19 following the word northeast to insert the word "south-central". Motion died due to the lack of a second. Senator Betts had also offered to withdraw his amendment. Following committee discussion, Senator Betts explained that since he represents downtown Wichita and noted that if Sedgwick County or the City of Wichita really wants gaming, they would have to organize and support Sedgwick County Legislators and let them know what they really want.

Senator Emler moved, with a second by Senator Barone, to recommend **SB 2** favorable for passage as amended. Motion carried on a roll call vote. Senator McGinn requested to change her vote from "Pass" to a "No".

The Chairman expressed his thanks and appreciation for the work done by the committee and staff.

The meeting adjourned at 5:15 p.m. The next meeting was scheduled for June 25, 2005.