

MINUTES OF THE HOUSE COMMITTEE ON FEDERAL & STATE AFFAIRSThe meeting was called to order by Representative Robert H. Miller at
Chairperson5:30 a.m./p.m. on April 3, 1985 in room 526S of the Capitol.

All members were present except:

Representative Keith Roe

Committee staff present:

Lynda Hutfles, Secretary
Mary Torrence, Revisor's Office
Russ Mills, Research

Conferees appearing before the committee:

Karen McClain, Kansas Association of Realtors
Don Levi, Kansas Association of Realtors
Representative Ed Rolfs
Jonathan Small, Kansans for Parimutuel
Gary Admundson, University of Arizona
Wil Cummings, Killingsworth Institute
Jim Edwards, Kansas Chamber of Commerce & Industry
Mike Beam, Kansas Livestock Association
Norman Hanson, Greyhound Industry
Reverend Taylor, Kansans for Life at it's Best

The meeting was called to order by Chairman Miller.

Representative Long made a motion, seconded by Representative Barr, to approve the minutes of the April 1 meeting. The motion carried.SB107 - Educational requirements of the Real Estate
Brokers and salespersons actKaren McClain, Director of Governmental Affairs of the Kansas Association of REaltors, gave testimony in support of the bill which increases post-licensing requirements for real estate salespersons and educational requirements for brokers. See attachment A.Don Levi, a professor of real estate and member of the Kansas Association of Realtors, gave his support of SB107. He stated that both pre-license and post-license mandatory educational requirements should be consistent with the goal of protecting the interests of the general public. See attachment B.

There was discussion concerning the number of hours involved and the cost (\$5.00 per credit hour) of the continuing education calsses.

When asked if additional bills would be requested next year, Mr. Yockers said that this was the best bill they could possibly have and if this bill and another bill in the committee HB2123 (Deactivated licenses) were to pass, they would not need another bill next year.

The hearings on SB107 were concluded.

SCR1606 - Parimutuel Wagering

Representative Ed Rolfs gave testimony in support of the resolution. The argument for this resolution isn't the dollar or economic benefits, it is more of a right to choose. He views it as a right to choose what type of entertainment a person wants to participate in. It is not the right of the government to regulate people's lives. He suggested that an amendment to remove the tax from the resolution was needed. It is dangerous policy to establish a tax rate before we know what effect that it is going to have before the track is set up in Kansas.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON FEDERAL & STATE AFFAIRS,
room 526S, Statehouse, at 5:30 a.m./p.m. on April 3, 1985

Jonathan Small, Kansans for Parimutuel, gave testimony in support of the resolution. Mr. Small expressed to the committee that he felt Kansans overwhelmingly favor the opportunity to vote on parimutuel horseracing in their state. The resolution embodies two significant provisions to safeguard local interests. He also said parimutuel horseracing in Kansas can produce a substantial net return to the state treasury as well as to local tourism and agricultural economics. See attachment C.

When asked about eliminating the tax rate, Mr. Small said he thought this was a prudent move. A tax should not be locked into the constitution.

There was discussion on the T.V. commercials concerning parimutuel and the thrust of one particular ad which tells people their vote for parimutuel would reduce property tax and also it was pointed out that these were misleading in view of the statement made in the handout that horseracing comprises about two per cent of general fund revenue and relatively high parimutuel taxes can adversely affect state tax revenues.

There was also discussion about letters and petitions on parimutuel letterhead from residents of nursing homes where the signers had been told that if parimutuel was not adopted, funds would be cut which effect these people. It was felt this was not a fair tactic to use. Mr. Small said they had nothing to do with this and that their interest was in the people's right to vote.

John Shoemaker, President, Capital Research Services, Inc., had his testimony in support of parimutuel distributed to the committee as he had to leave. See attachment D.

Gary Amundson, University of Arizona, gave testimony in support of parimutuel and told the committee he received no remuneration for coming. The racing program at the University is non-denominational (greyhounds, quarterhorses, thoroughbreds, etc); they work with racing regulations and work with state agencies involved in racing. Organized crime is not in racing; there is not enough money in racing for that and it is a very regulated industry. Seminars are provided once a year for the racing industry. Racing does have its scandals and security problems, which is not any different from any other industry.

Taxes on racing are only the tip of the iceberg. Racing is an economic boon to the community. There is a big difference between direct and indirect revenue to the state.

He told the committee of some of the problems in Oregon, Washington, Texas and Oklahoma. Lotteries have had a negative effect on racing. He suggested that the committee study the effects racing has had on the states that now have it. No two states have the same racing legislation.

Wil Cummings, Killingsworth Institute, gave testimony in support of the resolution. The racing industry is a major sport and entertainment in this country. The economic impact is not state tax revenues. In a study of the Nebraska industry the direct tax revenue to the state was \$55 million and indirect revenues were \$250 million. The racing industry provides jobs, is non-polluting and a boon to the community.

There was discussion on the 5% tax revenue to the state. Mr. Cummings suggested the committee look at other states and begin the tax at a lower rate and adjust upward if necessary. He explained why some of the states have lowered their tax rate. The main reasons were economy and two state had tracks destroyed by fire.

The testimony of Father Blaise McInerney of Donnelly College in Kansas City, was distributed to the committee. See attachment E.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON FEDERAL & STATE AFFAIRS,
room 526S, Statehouse, at 5:30 a.m./p.m. on April 3, 1985

Jim Edwards, Kansas Chamber of Commerce and Industry, gave testimony in support of the resolution. The Chamber felt that employment would be increased, retail sales would go up, personal income would go up and it was estimated direct state tax revenues would be \$15 million. See attachment F.

Mike Beam, Kansas Livestock Association, gave testimony in support of the resolution. He felt it is the right of the people to vote on whether or not parimutuel wagering should be established in the state of Kansas. See attachment G.

Norman Hanson, Greyhound Industry, distributed a booklet furnished by the Greyhound State Racing Commissions which reflects the 1984 summary of state parimutuel tax structures. He stated that the indirect revenue to the state would be tremendous. Mr. Hanson raises his greyhounds in Abilene (Dickinson County is the largest producing county for greyhounds - \$3 million industry in Abilene) and races his hounds in West Virginia. See attachment H.

Reverend Taylor, Kansans for Life at its Best, gave testimony in opposition to the resolution. People who love people and horses, hate parimutuel because people who can't afford to gamble, gamble too much. Gambling is a swindle. Too many people lose money they can't afford to lose. See attachment I.

Hearings were concluded on SCR1606.

SB107 - Educational requirements of the Real Estate Brokers and salespersons act

Representative Charlton made a motion, seconded by Representative Suchrue, to report SB107 favorable for passage. The motion carried.

SCR1606 - Parimutuel wagering

Representative Peterson made a motion, seconded by Representative Aylward, to report SCR1606 favorable for adoption. The motion carried.

The Chairman announced that since this very well could be the last meeting, if committee members had any bills to bring up this was the time to do it. With no response the meeting was adjourned.

TESTIMONY BEFORE
THE HOUSE COMMITTEE ON FEDERAL AND STATE AFFAIRS
BY
KAREN MCCLAIN

KANSAS ASSOCIATION OF REALTORS®

MR. CHAIRMAN AND MEMBERS OF THE SENATE COMMITTEE ON STATE AND FEDERAL AFFAIRS.

MY NAME IS KAREN MCCLAIN, DIRECTOR OF GOVERNMENTAL AFFAIRS OF THE KANSAS ASSOCIATION OF REALTORS®.

I APPEAR TODAY TO ASK THIS COMMITTEE TO PASS SB 107 OUT FAVORABLY. THE LEGISLATION PROPOSES TWO CHANGES.

THE FIRST CHANGE DEALS WITH THE POST-LICENSING EDUCATION REQUIREMENTS FOR REAL ESTATE SALESPERSONS. THE SECOND CHANGE DEALS WITH EDUCATIONAL REQUIREMENTS FOR BROKERS.

FIRST, POST-LICENSING EDUCATION FOR ALL LICENSEES. THE CURRENT STATUTE REQUIRES A PERSON TO HAVE 8 HOURS OF CONTINUING EDUCATION PRIOR TO THE RENEWAL OF THEIR REAL ESTATE LICENSE. THE CURRENT LICENSURE PERIOD IS FOR TWO YEARS, SO A SALESPERSON NEEDS TO HAVE 4 HOURS OF CONTINUING EDUCATION HOURS PER YEAR.

THE PROPOSED LEGISLATION REQUIRES 30 HOURS OF CONTINUING EDUCATION DURING THE FIRST 12 MONTHS OF LICENSURE, 20 HOURS DURING THE SECOND 12 MONTHS OF LICENSURE, AND 6 HOURS PER 12 MONTHS THEREAFTER. THE REQUIREMENT OF SIX HOURS PER 12 MONTHS WILL GO INTO EFFECT FOR ALL LICENSEES JULY 1, 1987. THE REQUIREMENT OF 30 AND 20 HOURS DURING THE FIRST AND SECOND YEARS OF LICENSURE RESPECTIVELY, WILL GO INTO EFFECT JULY 1, 1988.

SECOND, EDUCATIONAL REQUIREMENTS FOR BROKERS. THE CURRENT STATUTE PERMITS A PERSON TO BECOME A REAL ESTATE BROKER IF THEY:

1) HAVE BEEN LICENSED AND ACTIVELY ENGAGED IN BUSINESS AS A SALES PERSON FOR A PERIOD OF AT LEAST 2 YEARS DURING THE 5 YEARS IMMEDIATELY PRECEDING THE DATE OF THE APPLICATION, AND

2) PASS THE BROKER'S EXAMINATION.

4/3/85
Attach A

THE PROPOSED CHANGE REQUIRES 24 HOURS OF CONTINUING EDUCATION BEFORE A PERSON CAN BE LICENSED AS A BROKER. THOSE 24 HOURS ARE TO BE APPROVED BY THE KANSAS REAL ESTATE COMMISSION AND ARE TO BE RECEIVED WITHIN 12 MONTHS PRIOR TO LICENSURE. THIS PROVISION WILL GO INTO EFFECT JULY 1, 1985.

YOU MAY BE WONDERING WHY WE, AS A PROFESSIONAL ASSOCIATION WOULD BE WANTING TO INCREASE THE EDUCATIONAL REQUIREMENTS PLACED UPON OUR MEMBERS BY STATE STATUTE.

THE KANSAS ASSOCIATION OF REALTORS® IS INTERESTED IN INSURING THAT THE PERSONS WHO SELL REAL ESTATE IN THE STATE OF KANSAS ARE WELL EDUCATED AND KNOWLEDGEABLE INDIVIDUALS. THIS KNOWLEDGE IS NECESSARY IN ORDER TO PROTECT THE PUBLIC WHEN THEY ARE DEALING WITH PEOPLE'S LIFE SAVINGS. WE VIEW OURSELVES AS PROFESSIONALS IN THE SAME MANNER AS DOCTORS, NURSES, TEACHERS, ACCOUNTANTS, ETC. ACCORDINGLY, WE SEEK TO DO WHATEVER IS NECESSARY TO INSURE THAT THE PEOPLE IN OUR BUSINESS CONDUCT THEMSELVES AS PROFESSIONALS. THE PROPER EDUCATIONAL BACKGROUND IS A MUST IN PROFESSIONAL TRAINING.

THE ASSOCIATION RECEIVES REGULAR COMPLAINTS FROM THE PUBLIC ABOUT TWO PARTICULAR PROBLEMS, THOSE WITH NEWLY LICENSED SALESPERSONS AND THOSE WITH NEWLY LICENSED BROKERS.

IN THE CASE OF NEWLY LICENSED SALESPERSONS WHAT OFTEN OCCURS IS THAT A SALESPERSON MAY HAVE COMPLETED THE 30 HOURS OF PRE-LICENSE CLASSES, HOWEVER, THE STUDYING DONE PRIOR TO SITTING FOR THE EXAM WAS CENTERED ON FIGURING OUT HOW TO PASS THE EXAM, RATHER THAN ACTUALLY LEARNING THE PRINCIPLES OF REAL ESTATE. AND SO TO ASSIST THE NEW SALESPERSON AND, MORE IMPORTANTLY, TO PROTECT THE PUBLIC, WE DEVELOPED THE PROPOSAL IN FRONT OF YOU TO PROVIDE INTENSIVE EDUCATION AT THE FRONT OF THEIR CAREER I.E. DURING THE FIRST TWO YEARS OF LICENSURE.

IN THE CASE OF NEWLY LICENSED BROKERS, WE FOUND THAT THOUGH A PERSON MAY HAVE BEEN SELLING REAL ESTATE FOR TWO OR MORE YEARS AS REQUIRED BY LAW, THESE SALESPERSONS HAVE NOT HAD ANY ACTUAL TRAINING IN THE DAY TO DAY OBLIGATIONS OF THE BROKER, SUCH AS: THE MANAGEMENT OF TRUST ACCOUNTS; THE PROPER COMPLETION OF A CLOSING FORM AND THE OVERALL SUPERVISION OF A BROKER'S OFFICE. AND SO WE FELT THAT A PERSON SEEKING TO BECOME A BROKER SHOULD BE REQUIRED TO RECEIVE 24 CONTINUING EDUCATION HOURS RELATED TO THE OBLIGATIONS OF A BROKER.

IN LIGHT OF THE PROBLEMS RAISED HERE, AND IN THE BEST INTEREST OF THE PUBLIC, WHOSE LIFE SAVINGS ARE INVOLVED IN REAL ESTATE TRANSACTIONS WE REQUEST THAT YOU PASS SB 107 FAVORABLY.

Testimony of
Dr. Donald R. Levi
before the
Federal & State Affairs Committee
of the
Kansas House of Representatives
April, 1985

My name is Don Levi. I live at 1408 Deer Trail in Derby, Kansas. I am a professor of real estate and holder of the Kansas Chair of Real Estate and Land Use Economics at Wichita State University. In addition, I am a licensed real estate broker and a member of the Kansas Association of Realtors. In appearing before you today, I would emphasize that I am exercising my rights as a private citizen and am not representing Wichita State University.

In appearing before you today, I am speaking in support of the substantive educational scheme set out in Senate Bill No. 107.

My position on real estate education requirements generally can be summarized as follows:

1. Real estate licensing laws exist for the protection of the general public.
2. Both Pre-license and post-license mandatory educational requirements are and should be consistent with the goal of protecting the interests of the general public.

Let me briefly review the educational scheme set out in Senate Bill 107, and briefly comment on each part:

1. Thirty hours are required before a salespersons license may be granted. These 30 hours demonstrably contribute to an improved pass rate on the license examination, and provide a basic framework of real estate knowledge which

will permit licensees to effectively serve their clientele group. At the same time, this requirement is not so high as to serve as an unreasonable barrier to entering the real estate brokerage profession.

2. An additional 24 hour pre-license requirement exists for those seeking a real estate brokers license. Since salespersons work under a broker, it is particularly important that brokers know how to handle trust accounts, closings, and the like. A two-year experience requirement is not a good substitute for this specific education, because salespersons do not work with trust accounts, do not prepare closing documents, and may never even attend a closing. Currently, Kansas is one of only six states not having mandatory broker pre-license educational requirements.
3. The post-license educational requirements are divided into two distinct parts, as follows:
 - A. A significant number of hours will be required immediately after salesperson licensure. This is in the public's interest, as this will help raise a licensee's professional skills more quickly than might otherwise occur. New licensees can also use these hours to acquire professional designations appropriate for their area of expertise.
 - B. The relatively small (six hours) continuing education requirement for all licensee is, in my judgment, sufficient to keep licensees up to date on new developments which are of essential concern.

When considering mandatory licensee educational requirements, concerns often are expressed about the quality, relevance, cost, and convenience of educational courses. It is my opinion that:

1. The Kansas Real Estate Commission can and does help ensure relevant course content, school and instructor quality through the enforcement of legislative standards. These legislative standards do contribute to the quality of the educational experience.
2. It is more inconvenient and costly for licensees in rural areas to meet mandatory education requirements. When approved courses are not available locally, expenses for travel, lodging, meals, and lost income while out of the office all may be significant. At the same time, the general public in rural areas should be able to expect the same level of professional expertise from licensees as their urban counterparts.

The challenge is to deliver quality educational courses to rural areas at reasonable costs. Some of the newer educational course delivery systems that may be utilized for this purpose include the TELENET system operated by the Regents' institutions and headquartered at Kansas State University, the increasing use of video tapes, slide-tape presentations, and correspondence courses.

The experience of the last two years has shown that greater coordination does enable the rural areas to be served better than they have been previously.

In conclusion, let me simply say that I believe it is possible to structure mandatory real estate educational requirements that are significant, reasonable, and relevant, both from the standpoint of licensees and the general public. It is my opinion that Senate Bill 107 contains the basic framework for sound educational requirements, and will help establish Kansas as a leader in this field.

DONALD R. LEVI

Biographical Sketch

Donald R. Levi comes from a family of abstracters, real estate brokers, and appraisers. He earned his B.S. and J.D. degrees from the University of Missouri, and his Ph.D. from Washington State University.

Dr. Levi has held academic positions at the University of Missouri, Texas A&M University, and Wichita State University. Previous to coming to Wichita, he served as the Associate Director of the Texas Real Estate Research Center.

Dr. Levi is the author or co-author of nine books related to real estate, as well as several journal articles. A member of the Bar in Missouri and Texas, he currently holds the Kansas Chair of Real Estate and Land-Use Economics at Wichita State University. In that position he provides leadership for both the academic and public service real estate programs offered by WSU.

The charter President of the Kansas Real Estate Educators Association, Dr. Levi currently serves on the Board of Directors of the national Real Estate Educators Association.



Mr. Chairman and members of the House of Representatives:

I am Jonathan Small, registered lobbyist and attorney for Kansans for Pari-Mutuel (KPM), a non-profit organization comprised of Kansans from all corners of the state dedicated to the proposition that citizens of Kansas should be allowed to exercise their right to vote on a constitutional amendment to allow pari-mutuel horseracing in Kansas. In this 1985 Session, KPM strongly urges your favorable approval of 1985 SCR 1606. Several key points in addition to those I will discuss with you individually are offered here in support of our position:

1. Kansans overwhelmingly favor the opportunity to vote on pari-mutuel horseracing in their state.

As we approach the end of the twentieth century, Kansans can appreciate that 36 states now have pari-mutuel racing and that 83% of the population of the United States enjoys pari-mutuel racing in their home state. Currently, Nebraska, Oklahoma, Missouri and Colorado allow such racing activities. It should not be surprising to many of us that a significant contribution of Kansas dollars is and will continue to be made to the economies of those states. It is a sad irony that we have one of the largest horse industries in the United States and owners and fans must leave the state to enjoy the sport.

The people and legislatures of those states are not so dissimilar from us. Could they sincerely permit such a recreational activity if it truly were not healthy for them, that their people enjoy it? We have lived as neighbors for a good many decades in this Union of ours, and while they may do some things differently than we do, their judgment on such a fundamental issue is not, nor does it even approach, being suspect.

Kansans from all across our state understand this and the issue before you. The surveys taken earlier in the year demonstrate statistically that the clear majority of Kansans, whether they agree totally with the pari-mutuel issue or not, want to vote the matter once and for all.

It is this same body of electors who further understand the fundamental issue at its critical level: The Kansas Constitution belongs to the people of Kansas, it is their right to examine

certain issues of state-wide concern and to participate with the legislature in adjusting such of its provisions as the majority wish.

The bingo experience makes for an excellent and timely comparison. Kansans examined that issue with maturity and intelligence and authorized the necessary adjustment, much to the enjoyment of literally thousands. There is no reason to believe (nor can one be offered) that we cannot do so again. Indeed, as the surveys persuasively reveal, Kansans are themselves, convinced of their ability to deal with the matter in the only form our Constitution guarantees to them: the voting booth.

2. 1985 SCR 1606 embodies two significant provisions to safeguard local interests.

A. The proposed resolution before you (1985 SCR 1606) addresses local concerns which may arise by providing a carefully structured mechanism to prevent any pari-mutuel horseracing activity from being conducted in any county where a majority of the voters simply do not want it: i.e., the "county option."

We know that some particular areas in Kansas are keenly interested in having pari-mutuel racing in their county: e.g., Wyandotte, Johnson, Sedgwick, Greenwood, Barton, etc. However, as we all know, it takes a favorable vote by two-thirds majority in both houses to permit a vote for any constitutional amendment. What this amounts to is that some, even though their particular location may never approve the activity, will prevent everyone else including those who do want it, from enjoying it in any fashion, save the long and expensive trip out of state.

B. 1985 SCR 1606 also entails a specific type of pari-mutuel horse racing: non-profit. What this simply and effectively provides is a device to eliminate the oft-suggested problems of possible "organized crime." For as long as this issue has presented itself before the legislature, opponents have continually hypothesized that pari-mutuel horseracing, even non-profit, will bring with it the dark side of society. Curiously, they have never proffered evidence to support that. Nebraska racing and law enforcement officials, who have lived with non-profit pari-mutuel horseracing for nearly a half century have clearly over the past few years in response to inquiries from Kansas, opinioned otherwise.

If there be a motive to attract any "criminal element" whatever, it is quite simply the profits produced from operating the track facility; if you eliminate the profit you quickly eliminate whatever enthusiasm you have from any would be criminal element, assuming of course that there would be one to start with.

3. Pari-mutuel horseracing in Kansas can produce a substantial net return to the state treasury as well as to local tourism and agricultural economics.

Dr. William T. Terrell has been commissioned in 1985 to examine the potential economic benefits pari-mutuel horseracing

would have for Kansas. Here are a few of the benefits which can be reasonably expected:

- (a) nonrecurring capital investment in Kansas: \$220,000,000;
- (b) new direct and indirect annual state revenue from all taxes: \$32,629,621;
- (c) new Kansas personal income recurring annually: \$193,567,930;
- (d) new employment: 9,583

Your approval this day is requested not as a vote for or against pari-mutuel wagering but a reaffirmation of a simple, fundamental right of all Kansas voters: their inalienable right to address a change in their Constitution. Our presentation is a plea to you to help give Kansans an opportunity at last to participate in the constitutional process of our state. Let the people of Kansas have their say about their state's policy on pari-mutuel wagering on horseracing.

For this legislative body in light of what has been presented to it over and over to continue its refusal to let Kansans address this matter for themselves is a travesty and true testament that it has lost sight of the fact that it is supposed to be a government "of the people, by the people, and for the people."

612 S. Kansas
Topeka, Kansas 66603
(913) 354-4340

April 3, 1985

Press Release

In the middle of December, we asked a random sample of Kansas residents if they would support a measure to put pari-mutuel racing on the ballot at the next general election and if it were on the ballot, how they would vote. We found that an overwhelming majority (79%) would support such a measure and that a somewhat smaller majority would vote to legalize pari-mutuel (55%).

The questions were included as a part of our annual legislative survey conducted each December. In this survey, we sampled 748 Kansas residents by telephone. Respondents were selected by means of random digit sampling methods and alternative selection procedures. The interviews were conducted by our staff at our central interviewing facility using a computer-assisted interviewing system. The data were weighted to achieve the greatest possible congruence between sample and population parameters. The entire process was supervised by Dr. John A. Schoemaker, President and Director of Research.

The results of any survey which employs sampling methods are subject to a certain amount of sampling error. In this survey, sampling error ranges from 2.9% to 3.6%.

We believe that these results strongly suggest that if a vote were taken today, Kansans would vote to legalize pari-mutuel racing by a relatively wide margins. Past surveys conducted by Capital Research Services have proved to be very accurate. Moreover, surveys conducted by the Wichita Eagle-Beacon and the Center for Public Affairs at the University of Kansas have obtained similar results.

4/3/85
Attach D.

Good morning. I am Father Blaise McInerney of Donnelly College in Kansas City.

Horsereading gambling exists in many countries, including, Canada, the United States, Argentina, Colombia, Mexico, Puerto Rico, Venezuela, Australia, Indonesia, Japan, the Philippines, Denmark, Great Britain, France, West Germany, Ireland, Italy, Norway, Sweden, Poland, and the Soviet Union. Are we to assume that these people all enjoy more freedom than Kansans?

In Western society attitudes toward gambling have varied significantly among different religious groups. While the Bible is silent on the subject of gambling, there are numerous references to the use of lots for serious purposes, as when Moses was instructed by the Lord to allocate the promised land among the Israelites by lot (Numbers 26.55). Since chance events were considered "acts of God," the use of the lot, with appropriate ritual and respect, was regarded as justified for discerning the divine will in serious matters. Since the Middle Ages gambling has been widespread within the Jewish community. Roman Catholics have also come to take a liberal attitude toward gambling, holding that there is nothing wrong in principle with gambling, providing only that certain conditions be met: that the game be honest, that the stakes be moderate and within the means of the players, and that the money staked be one's own.

A person is entitled to dispose of his own property as he wills, so long as in doing so he does not render himself incapable of fulfilling duties incumbent upon him by reason of justice or charity. Gambling, therefore, though a luxury, is not considered sinful except when the indulgence in it is inconsistent with duty.

Gambling may be sinful also on the part of one who cheats or engages in other dishonesty in the transaction, or who bets upon a certainty. The gambling contract is unjust if there is no reasonable proportion between what is risked and what may possibly be gained, unless it concerns state lotteries conducted for purposes of revenue, or in lotteries held to gather money for charity. In these cases the participants understand that only a portion of what is taken in will be returned to winners in the form of prizes, and they are presumed to consent to the arrangement.

There is no evidence that petty gambling is in any way damaging to character or that petty gamblers differ in significant ways from non-gamblers (Tec 1964). On the contrary, petty gambling may function as a kind of institutionalized "solution" for many of the specific psychological problems generated by the conflicts, strains, and ambivalences embedded in the economic system. It may serve to revitalize certain relevant patterns of motivation that are given little scope in routine economic pursuits, such as motives relating to themes of daring, combat, faith, and willingness to take chances. It has also been argued that the existence of institutionalized petty gambling is functional for society in providing a channel into which potentially disruptive speculative tendencies

4/3/85
Attach E

may be safely deflected from the legitimate market place. To these should be added the positive (and perhaps somewhat perverse) value-reinforcing and scapegoating societal function of the disapproval of gambling, for which institutionalized gambling provides a convenient target.

If recreational petty gambling is harmless enough and may even perform useful functions for personality and society, the question naturally arises, should gambling be legalized? In fact, several forms of gambling have already been legalized during the present century. Horseracing gambling flourishes in many European countries and in Latin America; many nations, including even the Soviet Union and China, have adopted state lotteries; and legalized football betting pools have captured enormous followings in England and Sweden. I ask you, do their citizens enjoy a greater degree of freedom than the citizens of Kansas?

Gambling is probably harmless, possibly beneficial, and in any case ineradicable. Antigambling statues can never be effectively enforced. By keeping antigambling statutes on the books, we throw the entire operation into the hands of the underworld, create thereby an enormous source of revenue and power for organized crime, and keep alive a major source of political graft and corruption in America. Moreover, we place an unnecessary burden of guilt and hypocrisy upon the lay public, which must patronize these illegal and frequently dishonest establishments to indulge their gambling propensities. Partial legalization, as it currently exists in the United States, is doubly unsatisfactory, the argument continues, for it is discriminatory, hypocritical, and sabotages the moral convictions needed for effective law enforcement. Legalization will effectively end this sort of hypocrisy, get gambling into the open where it can be suitably regulated and controlled, dry up a major source of underworld income and power, eliminate the occasion and resource for police graft and political corruption, and make available to the state a highly lucrative source of additional revenue, achieved through the most painless known form of taxation. These arguments were ably stated some fifty years ago by a leading American sociologist, E. W. Burgess (1935), and have been repeated ever since. Until now they have not prevailed in Kansas, even though recent public opinion polls show unmistakable trends in this direction.

The opposition to legalization stems from several sources and draws on a variety of arguments. The core of resistance in the United States is still firmly rooted in the residual Puritan culture, which regards gambling as inherently sinful and placates its restive conscience by keeping the official facade of culture officially against it. Whatever the merits of the moralists' theological or ethical grounds, their arguments tend to be sociologically naive; in the empirical world one drink does not necessarily make an alcoholic or one lottery ticket an addicted gambler. While conceding that a generalized gambling mania and I emphasize the word mania might have disastrous consequences for society, it is an empirical question whether legalization would have this consequence.

The solution, of course, does not have to be of an either-or nature. Although few are willing to admit it and still fewer to recommend it, since it violated all the principles of logic and common sense, the Kansas legislature has again and again shown by its behavior that it still covertly prefers the present type of compromise solution, in which a formal facade of disapprobation and legal taboo is combined with half-hearted enforcement and widespread practice. Through this arrangement it does achieve at least some measure of regulation and constraint, keeps the public conscience appeased, and yet provides generous opportunities for those who would gamble to do so. Instead of this hypocritical half-solution, it is time now for you to allow the people of Kansas their constitutional freedom to vote.

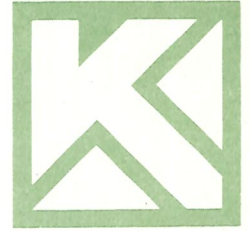
Sincerely,

Father Blaise McInerney
Donnelly College

LEGISLATIVE TESTIMONY

Kansas Chamber of Commerce and Industry

500 First National Tower One Townsite Plaza Topeka, KS 66603-3460 (913) 357-6321



A consolidation of the
Kansas State Chamber
of Commerce,
Associated Industries
of Kansas,
Kansas Retail Council

SCR 1606

April 3, 1985

KANSAS CHAMBER OF COMMERCE AND INDUSTRY
Testimony Before the
HOUSE FEDERAL AND STATE AFFAIRS COMMITTEE

Mr. Chairman and Members of the Committee:

My name is Jim Edwards and I am Director of Public Affairs for the Kansas Chamber of Commerce and Industry. I appear before you today to express our organization's support for SCR 1606, the concurrent resolution proposing to amend the Kansas Constitution to allow county-option pari-mutuel wagering.

The Kansas Chamber of Commerce and Industry (KCCI) is a statewide organization dedicated to the promotion of economic growth and job creation within Kansas, and to the protection and support of the private competitive enterprise system.

KCCI is comprised of more than 3,000 businesses plus 215 local and regional chambers of commerce and trade organizations which represent over 161,000 business men and women. The organization represents both large and small employers in Kansas, with 55% of KCCI's members having less than 25 employees, and 86% having less than 100 employees.

The KCCI Board of Directors establishes policies through the work of hundreds of the organization's members who make up its various committees. These policies are the guiding principles of the organization and translate into views such as those expressed here.

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4/3/85
Attach F

Pari-mutuel is not a new form of entertainment nor is it a new issue before the Kansas Legislature. It has been debated for many years.

During that time several states, including Missouri to our east and Oklahoma to our south, have recognized the economic benefits from this activity and have legalized it. There are now over 30 states that permit pari-mutuel wagering on races. Those states enjoy an economic benefit because of their actions.

What can Kansas derive from the passage of its pari-mutuel resolution? To start with it is estimated that it will increase employment statewide by over 2,000 jobs. This in turn would create over 11,000 additional jobs, \$140 million more personal income, \$79 million in additional retail sales and an estimated \$15 million in direct state tax revenue from wagering.

With this in mind, we feel that this Legislative body should vote favorably on this issue and pass it to the public for a vote. I would be happy to answer any questions that you might have.



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Owns and Publishes The Kansas STOCKMAN magazine and KLA News & Market Report newsletter.

STATEMENT OF THE
KANSAS LIVESTOCK ASSOCIATION

to the

HOUSE FEDERAL & STATE AFFAIRS COMMITTEE
Rep. R. H. Miller, Chairman

in support of

SCR 1606

April 3, 1985

presented by

Mike Beam
Executive Secretary
Cow-Calf/Stocker Division

Mr. Chairman and members of the committee, I'm Mike Beam with the Kansas Livestock Association (KLA) and I'm here to voice our support of SCR 1606. KLA is a voluntary statewide organization made up of nearly 10,000 farmers and ranchers. Since 1982, KLA members have annually reaffirmed the following policy resolution:

Parimutuel Amendment

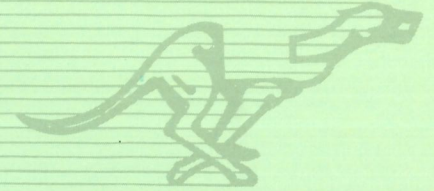
Whereas, the issue of legalizing pari-mutuel betting has never been placed before the voters of Kansas.

Therefore, be it resolved, that the Kansas Livestock Association recommends action by the Kansas legislature to place a constitutional amendment for non-profit pari-mutuel racing with local option authority before the people during a general election.

Some of our members are registered Quarter Horse breeders and would undoubtedly benefit if parimutuel wagering for horses was approved by the voters. But, more importantly, KLA members would like to see this proposed constitutional change on a ballot for their approval or disapproval. We respectfully urge this committee to recommend SCR 1606 to the full House for consideration this year.

4/3/85
Attach G.

1984



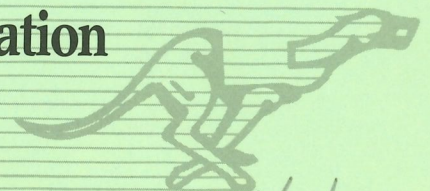
Summary of State Pari-Mutuel Tax Structures

American Greyhound Track Operators Association

Timothy J. Rooney, President

George D. Johnson, Jr., Executive Director

1065 N.E. 125th Street, Suite 219, North Miami, FL 33161



4/3/85

AThach. H.

Our appreciation is extended to the GREYHOUND STATE RACING COMMISSIONS who have kindly furnished the data contained herein.

Please note, the figures furnished in some instances are based on the state's fiscal year rather than the calendar year, but insofar as possible, reflect the 1984 RACING SEASON.

1984

SUMMARY OF STATE
PARI-MUTUEL TAX STRUCTURES

ALABAMA (3 TRACKS)

GREENE COUNTY

TOTAL TAKE OUT: 18%
 COUNTY RECEIVES: 4%
 TRACK RECEIVES: 14%
 BREAKAGE: To 10¢ (All breakage retained by track)
 ADMISSION TAX: 15% of the established admission price or 10¢ per head, whichever is greater.
 OUTS: Valid for one year, then retained by track.
 UNDERPAYMENTS: Paid to the commission as an addition to the charity fund.
 LEGAL AGE: Must be 18 years old to attend and/or wager.
 FINES: Paid to Greene County Racing Commission.

| <u>TRACK</u> | <u>DAYS</u> | <u>MATS.</u> | <u>TOTAL PERF.</u> | <u>ATTENDANCE</u> | <u>REVENUE TO COUNTY</u> | <u>P/M HANDLE</u> |
|--------------|-------------|--------------|------------------------|-------------------|------------------------------|-------------------|
| GREENETRACK | 300 | 164 | 464 | 629,151 | \$ 3,782,548.84 | \$ 92,379,091 |

MACON COUNTY

TOTAL TAKE OUT: 18%
 COUNTY RECEIVES: 4%
 TRACK RECEIVES: 14%
 BREAKAGE: To 10¢ (All breakage retained by track)
 ADMISSION TAX: 10¢ per head
 OUTS: Valid for one year, then retained by track.
 UNDERPAYMENTS: Paid to the commission as an addition to charity fund.
 LEGAL AGE: Must be 19 years old to attend and/or wager.
 FINES: Paid to Macon County Racing Commission.

| <u>TRACK</u> | <u>DAYS</u> | <u>MATS.</u> | <u>TOTAL PERF.</u> | <u>ATTENDANCE</u> | <u>REVENUE TO COUNTY</u> | <u>P/M HANDLE</u> |
|--------------|-------------|--------------|------------------------|-------------------|------------------------------|-------------------|
| VICTORYLAND | 88 | 46 | 134 | 357,521 | \$ 1,661,218.16 | \$ 40,822,227 |

MOBILE COUNTY

TOTAL TAKE OUT: 18%
 COUNTY RECEIVES: 8%
 TRACK RECEIVES: 10%
 BREAKAGE: To 10¢ (Divided 50% to county and 50% to track)
 ADMISSION TAX: 15% of the established admission price or 10¢ per head, whichever is greater.
 OUTS: Valid one year, then they escheat 50% to county and 50% to track.
 UNDERPAYMENTS: Must be paid into a track administered "Board of Relief" fund.
 LEGAL AGE: Must be 18 years old to attend and/or wager.
 FINES: Paid to "Board of Relief" for the greyhound owners' association.

| <u>TRACK</u> | <u>DAYS</u> | <u>MATS.</u> | <u>TOTAL PERF.</u> | <u>ATTENDANCE</u> | <u>REVENUE TO COUNTY</u> | <u>P/M HANDLE</u> |
|----------------|-------------|--------------|------------------------|-------------------|------------------------------|-------------------|
| MOBILE | 288 | 106 | 394 | 749,715 | \$ 6,894,633.80 | \$ 83,380,697 |
| ALABAMA TOTALS | 676 | 316 | 992 | 1,736,387 | \$ 12,338,400.80 | \$ 216,582,015 |

ARIZONA (6 TRACKS)

TOTAL TAKE OUT: 18% on W/P/S pools; 21% on pools involving two dogs; 25% on pools involving three or more dogs.

STATE RECEIVES: 7.5% in large counties; 5.5% of the first \$65,000 and 7.5% of amounts exceeding \$65,000 in small counties. May be reduced by 1% for approved capital improvement projects.

TRACK RECEIVES: 10.5% in large counties; 12.5% of the first \$65,000 and 10.5% of amounts exceeding \$65,000 in small counties. At least 3.25% of the handle must be allocated to purses. One-half of the take-out exceeding 18% must be used to supplement purses.

BREAKAGE: To 10¢ (All breakage retained by track)

ADMISSION TAX: None

OUTS: All outs monies retained by track. All tickets valid for one year.

UNDERPAYMENTS: Total underpayments less total overpayments for the meet revert to the state at the end of the meet.

LEGAL AGE: No one under 13 admitted; 13-18 must be accompanied by parent or guardian. To wager, individual must be 18 years old.

FINES: Paid to General Fund, State of Arizona.

| TRACK | DAYS | MATS. | TOTAL PERF. | ATTENDANCE | REVENUE TO STATE | P/M HANDLE |
|---------------|------|-------|----------------|------------|---------------------|----------------|
| APACHE | -- | 67 | 67 | 23,655 | \$ 120,770.00 | \$ 2,008,589 |
| BLACK CANYON* | 48 | 10 | 58 | 56,735 | 914,156.00 | 14,307,777 |
| PHOENIX | 106 | -- | 106 | 334,943 | 2,059,996.00 | 32,503,933 |
| TUCSON | 245 | 90 | 335 | 382,587 | 2,070,890.00 | 38,915,679 |
| WESTERN* | 150 | 30 | 180 | 406,954 | 2,997,767.00 | 47,512,236 |
| YUMA | 94 | 39 | 133 | 118,676 | 382,619.00 | 8,328,746 |
| | 643 | 236 | 879 | 1,323,550 | \$ 8,546,198.00 | \$ 143,576,960 |

*Meet conducted at Phoenix.

ARKANSAS (1 TRACK)

TOTAL TAKE OUT: 18%

STATE RECEIVES: 7%

TRACK RECEIVES: 11%

BREAKAGE: To 10¢ (1/3 to state and 2/3 to city in which track is located)

ADMISSION TAX: 10% of the established admission price or 10¢ per head, whichever is greater.

OUTS: Valid for 180 days following the close of the meet, then they escheat 1/3 to the state, 1/3 to the city in which track is located and 1/3 to county.

UNDERPAYMENTS: No provision under the current tax structure.

LEGAL AGE: Must be 18 years old to attend and/or wager.

FINES: Paid to the Arkansas Racing Commission.

| TRACK | DAYS | MATS. | TOTAL PERF. | ATTENDANCE | REVENUE TO STATE | P/M HANDLE |
|-----------|------|-------|----------------|------------|---------------------|----------------|
| SOUTHLAND | 140 | 35 | 175 | 1,183,212 | \$ 9,861,292.00 | \$ 136,025,430 |

COLORADO (5 TRACKS)

TOTAL TAKE OUT: 15%
 STATE RECEIVES: 4%
 TRACK RECEIVES: 11%
 BREAKAGE: To 10¢ (All breakage retained by track)
 ADMISSION TAX: None
 OUTS: Valid for one year from the last day of the meet, then escheats to track.
 UNDERPAYMENTS: Excess over and above overpayments reverts to the state 30 days after the close of the meet.
 LEGAL AGE: Must be 18 years old to wager. Admittance age is at the discretion of the track.
 FINES: Paid into General Fund, State of Colorado.

| <u>TRACK</u> | <u>DAYS</u> | <u>MATS.</u> | <u>TOTAL PERF.</u> | <u>ATTENDANCE*</u> | <u>REVENUE TO STATE</u> | <u>P/M HANDLE*</u> |
|----------------|-------------|--------------|------------------------|--------------------|-----------------------------|--------------------|
| CLOVERLEAF | 75 | 38 | 113 | 393,102 | \$ 1,963,725.20 | \$ 49,088,095 |
| INTERSTATE | 71 | 37 | 108 | 263,233 | 1,479,524.16 | 36,988,104 |
| MILE HIGH | 76 | 33 | 109 | 503,644 | 2,156,985.04 | 53,924,626 |
| PUEBLO | 74 | 15 | 89 | 107,431 | 483,190.81 | 9,304,695 |
| ROCKY MOUNTAIN | 68 | 39 | 107 | 254,259 | 1,233,094.53 | 30,800,327 |
| | 364 | 162 | 526 | 1,521,669 | \$ 7,316,519.74 | \$ 180,105,847 |

*Includes satellite totals

CONNECTICUT (1 TRACK)

TOTAL TAKE OUT: 19%
 STATE RECEIVES: 8½%
 TRACK RECEIVES: 10½% (Municipality where track is located receives ½ of 1% of the handle from the state's share.)
 BREAKAGE: To 10¢ (50% to the state and 50% to the track)
 ADMISSION TAX: 10% of established price to Town of Plainfield, plus 10% to state on all charges over \$1.00.
 OUTS: All tickets are valid for one year following the close of the meeting, then all monies escheat to the state.
 UNDERPAYMENTS: Revert to the state.
 LEGAL AGE: Anyone under 18 years of age cannot attend the facility while meet is in progress.
 FINES: Paid to the State of Connecticut.

| <u>TRACK</u> | <u>DAYS</u> | <u>MATS.</u> | <u>TOTAL PERF.</u> | <u>ATTENDANCE</u> | <u>REVENUE TO STATE</u> | <u>P/M HANDLE</u> |
|--------------|-------------|--------------|------------------------|-------------------|-----------------------------|-------------------|
| PLAINFIELD | 219 | 231 | 450 | 933,419 | \$ 10,144,381.61 | \$ 119,345,666 |

FLORIDA (18 TRACKS)

- TOTAL TAKE OUT:** 17.6% on W/P/S pools.
 19% maximum of daily double, quiniella double, quiniella, perfecta and big Q pools.
 This amount is made up of 18% plus an additional 1% at the track's option. 0.5% of this additional take out shall be applied to the reduction of capital improvement debt or to capital improvements. The remaining 0.5% is paid to the state as a surtax.
- 20% maximum on pic-6.
 This amount is made up of 18% plus up to an additional 2% take out at the track's option. 1.5% of this additional take out shall be applied to reduction of capital improvement debt or to capital improvements. The remaining 0.5% is paid to the state as a surtax. Tracks which take out only 1% additional, are not subject to the surtax.
- 21% maximum on trifecta pools.
 This amount is made up of 18% plus an additional 1% to establish a maximum 3% purse plus up to an additional 2% take out at the track's option. 1.5% of the additional take out shall be applied to the reduction of capital improvement debt or to capital improvements. The other 0.5% is paid to the state as a surtax. Tracks which take out only 1% additional, are not subject to the surtax.
- STATE RECEIVES:** 7.6% on the handle in excess of \$25,000 per performance plus a daily license fee of \$80 per race from tracks whose previous season's daily handle exceeded \$100,000 and a \$50 license fee per race for those tracks which did not. Tracks electing the capital improvement options referred to above are subject to a 0.5% surtax on the additional amounts withheld.
- TRACK RECEIVES:** All of the take out on first \$25,000 of handle on each performance plus the balance of the take out after the state tax is deducted.
- BREAKAGE:** To 10¢ except in the event of a minus pool, then 5¢. (All breakage to state.)
- ADMISSION TAX:** 15% of the established admission price or 10¢ per head, whichever is greater.
- OUTS:** Valid for one year from the date of purchase, then all monies escheat to state.
- UNDERPAYMENTS:** Paid to General Revenue, State of Florida.
- LEGAL AGE:** Must be 18 years old to attend and/or wager.
- FINES:** Non-medication fines to tracks administered Board of Relief Fund.
 Medication fines to State Racing Research Trust Fund.

| TRACKS | DAYS | MATS. | TOTAL PERF. | ATTENDANCE | REVENUE TO STATE | P/M HANDLE |
|----------------|-------|-------|-------------|------------|------------------|----------------|
| BAYARD | 108 | 35 | 143 | 294,985 | \$ 2,677,195.66 | \$ 35,481,290 |
| BISCAYNE | 103 | 52 | 155 | 778,025 | 8,190,691.23 | 99,191,989 |
| DAYTONA | 108 | 51 | 159 | 405,869 | 2,681,976.75 | 34,148,405 |
| FLAGLER | 105 | 54 | 159 | 700,788 | 7,110,157.87 | 88,888,675 |
| HOLLYWOOD | 104 | 52 | 156 | 997,788 | 8,496,857.99 | 108,088,187 |
| JACKSONVILLE | 84 | 28 | 112 | 350,001 | 2,670,732.75 | 35,009,764 |
| JEFFERSON | 104 | 21 | 125 | 184,311 | 1,414,090.46 | 18,299,667 |
| KEY WEST | 96 | 18 | 114 | 59,991 | 235,470.73 | 4,759,616 |
| NAPLES | 109 | 51 | 160 | 505,833 | 3,369,541.46 | 43,004,022 |
| ORANGE PARK | 121 | 41 | 162 | 455,315 | 3,853,353.52 | 50,518,239 |
| PALM BEACH | 106 | 56 | 162 | 645,673 | 4,785,094.15 | 61,635,966 |
| PENSACOLA | 110 | 47 | 157 | 247,230 | 1,748,660.61 | 22,970,231 |
| ST. PETERSBURG | 101 | 52 | 153 | 1,014,533 | 8,124,346.10 | 103,032,752 |
| SANFORD | 104 | 54 | 158 | 521,503 | 4,253,971.16 | 55,011,364 |
| SARASOTA | 101 | 51 | 152 | 456,818 | 3,951,279.37 | 49,678,640 |
| SEMI NOLE | 105 | 52 | 157 | 319,667 | 2,683,164.99 | 34,244,751 |
| TAMPA | 104 | 52 | 156 | 824,126 | 7,478,149.95 | 90,577,159 |
| WASHINGTON | 105 | 43 | 148 | 220,780 | 1,715,383.23 | 22,280,592 |
| | 1,878 | 810 | 2,688 | 8,983,236 | \$ 75,440,117.98 | \$ 956,821,309 |

IOWA (1 TRACK)

TOTAL TAKE OUT: 16% W/P/S; 18% on all other forms
 STATE RECEIVES: 5%
 COUNTY RECEIVES: 1/2%
 CITY RECEIVES: 1/2%
 TRACK RECEIVES: 10% on W/P/S; 12% on all other forms
 BREAKAGE: 10% (100% to breeders program)
 ADMISSION TAX: 50¢
 OUTS: 100% to state
 LEGAL AGE: Must be 18 years old to wager.
 FINES: To commission
 PERFORMANCE LICENSE FEE: \$200.00 per performance

| <u>TRACK</u> | <u>DAYS</u> | <u>MATS.</u> | <u>TOTAL PERF.</u> | <u>ATTENDANCE</u> | <u>REVENUE TO STATE</u> | <u>P/M HANDLE</u> |
|--------------|-------------------|--------------|--------------------|-------------------|-------------------------|-------------------|
| DUBUQUE | Opening June 1985 | | | | | |

MASSACHUSETTS (3 TRACKS)

TOTAL TAKE OUT: 19% distributed between the state and the track:

| <u>PERFORMANCE HANDLE</u> | <u>STATE RECEIVES</u> | <u>TRACK RECEIVES</u> | <u>PURSES</u> |
|---------------------------|-----------------------|-----------------------|---------------|
| \$ -0- to \$200,000 | 6% | 9½% | 3½% |
| 200,001 up | 11% | 4½% | 3½% |

BREAKAGE: To 10¢ (50% to the state and 50% to the track)
 ADMISSION TAX: None
 OUTS: Valid up to December 31st of the year following the date on the ticket, then escheats to the state.
 UNDERPAYMENTS: Revert to the state
 LEGAL AGE: All individuals must be 18 years old to wager. Admittance age is at discretion of track provided individual is accompanied by an adult.
 FINES: Paid to Commonwealth of Massachusetts.

| <u>TRACKS</u> | <u>DAYS</u> | <u>MATS.</u> | <u>TOTAL PERF.</u> | <u>ATTENDANCE</u> | <u>REVENUE TO STATE</u> | <u>P/M HANDLE</u> |
|---------------|-------------|--------------|--------------------|-------------------|-------------------------|-------------------|
| RAYNHAM | 139 | 88 | 227 | 639,982 | \$ 5,201,366.28 | \$ 65,023,194 |
| REVERE | 310 | -- | 310 | 1,160,468 | 13,242,180.53 | 142,162,253 |
| TAUNTON | 115 | 118 | 233 | 669,159 | 5,549,020.39 | 68,646,213 |
| | 564 | 206 | 770 | 2,469,609 | \$ 23,992,567.20 | \$ 275,831,660 |

NEW HAMPSHIRE (3 TRACKS)

TOTAL TAKE OUT: 19% distributed between the state and track on the following sliding scale, with an additional 6% take out on exotic wagering (track 2%, state 4%).

| <u>DAILY HANDLE</u> | <u>STATE RECEIVES</u> | <u>TRACK RECEIVES</u> |
|---------------------|-----------------------|-----------------------|
| \$ -0- to \$100,000 | 6% | 13% |
| 100,001 to 200,000 | 7% | 12% |
| 200,001 to 300,000 | 9% | 10% |
| 300,001 up | 10% | 9% |

BREAKAGE: To 10¢ (State receives 50% and the track receives 50%)
 ADMISSION TAX: None

NEW HAMPSHIRE (continued)

- OUTS:** All outs are turned over to the commission on or before December 31st of each year. Payment on the tickets will be made by the commission for one year, then the money reverts to the state's general fund.
- UNDERPAYMENTS:** Reverts to the state 30 days after the close of the meet.
- LEGAL AGE:** Anyone under 18 years old may attend accompanied by parent or guardian. To wager, individuals must be 18 years old.
- FINES:** Paid to General Fund, State of New Hampshire.

| <u>TRACKS</u> | <u>DAYS</u> | <u>MATS.</u> | <u>TOTAL PERF.</u> | <u>ATTENDANCE</u> | <u>REVENUE TO STATE</u> | <u>P/M HANDLE</u> |
|---------------|-------------|--------------|------------------------|-------------------|-----------------------------|-------------------|
| BELMONT | 103 | 34 | 137 | 86,273 | \$ 218,166.96 | \$ 6,067,016 |
| HINSDALE | 191 | 92 | 283 | 220,595 | 1,618,540.87 | 22,476,324 |
| SEABROOK | 143 | 235 | 378 | 564,816 | 5,341,464.93 | 57,076,058 |
| | 437 | 361 | 798 | 871,684 | \$ 7,178,172.76 | \$ 85,619,398 |

OREGON (1 TRACK)

- TOTAL TAKE OUT:** 16% except on any wager requiring the selection of three or more separate wagering interests, then 18% (Non-profit 22%).
- STATE RECEIVES:** 6.3% (Non-profit 2.5%) except on any wager requiring the selection of three or more separate wagering interests, then 10.3% (Non-profit 7.5%) plus a license fee of \$100 per race day (Non-profit \$25 total for race meet).
- TRACK RECEIVES:** 9.7% (Non-profit 13.4%) except on any wager requiring the selection of three or more separate wagering interests, then 10.8125% (Non-profit 14.4%). An additional 0.1% is retained by Non-profit for the development and operation of a training track and related facilities.
- BREAKAGE:** To ten cents (10¢) (1/3 retained by track; 1/3 to augment purses; 1/3 for the benefit of the breeding, ownership, training and racing of greyhounds) except for when pool computes to less than 10¢ for each dollar wagered, then to five (5) cents.
- ADMISSION TAX:** None
- OUTS:** Valid for 90 days following the end of the continuous race meet, then all monies escheat to the state within 120 days after end of meet.
- UNDERPAYMENTS:** Revert to the state.
- LEGAL AGE:** All persons 18 years of age or older may wager. Persons 12 years through 17 years, if accompanied by parent, sponse or guardian, are permitted to races after 6:00 PM. For matinees, accompanied children of all ages are permitted.
- FINES:** Paid to Oregon Racing Commission.

| <u>TRACK</u> | <u>DAYS</u> | <u>MATS.</u> | <u>TOTAL PERF.</u> | <u>ATTENDANCE</u> | <u>REVENUE TO STATE</u> | <u>P/M HANDLE</u> |
|--------------------------|-------------|--------------|------------------------|-------------------|-----------------------------|-------------------|
| MULTNOMAH | 76 | 17 | 93 | 495,118 | \$ 2,895,488.12 | \$ 43,650,230 |
| NON-PROFIT FAIRS: | | | | | | |
| PAC. INT. | 10 | -- | 10 | 50,818 | 215,619.30 | 4,632,788 |
| MULT. CO. | 10 | -- | 10 | 48,386 | 212,605.47 | 4,571,131 |
| | 96 | 17 | 113 | 594,322 | \$ 3,323,712.89 | \$ 52,854,149 |

RHODE ISLAND (1 TRACK)

TOTAL TAKE OUT: 18% on W/P/S pools.
19% on all other forms of wagering.

STATE RECEIVES: 5½%

TOWN OF LINCOLN RECEIVES: 1/2%

TRACK RECEIVES: 12% + 1% additional on all other forms of wagering for capital improvement fund.

BREAKAGE: 50% to the state and 50% to the track.

OUTS: Monies revert to the state after one year from date of end of meet.

LEGAL AGE: Must be 18 years of age to wager.

FINES: Paid to Rhode Island Racing & Athletic Commission, General Treasury State of Rhode Island.

| <u>TRACK</u> | <u>DAYS</u> | <u>MATS.</u> | <u>TOTAL PERF.</u> | <u>ATTENDANCE</u> | <u>REVENUE TO STATE*</u> | <u>P/M HANDLE</u> |
|--------------|-------------|--------------|--------------------|-------------------|--------------------------|-------------------|
| LINCOLN | 255 | 197 | 452 | 1,163,790 | \$ 7,768,556.22 | \$ 126,488,553 |

* Of this total, \$632,442.76 paid to Town of Lincoln.

SOUTH DAKOTA (2 TRACKS)

TOTAL TAKE OUT: 16¼% W/P/S; 17¼% on all other forms of wagering up to \$8 million. If handles goes over \$8 million, the total take out on all pools is increased by 1%. The take out is distributed as follows:

| | (-----STATE-----) | | | <u>TRACK RECEIVES</u> | <u>SCHOOL DISTRICT RECEIVES</u> |
|----------------------------------|-----------------------------|----------------------------------|----------------------------|-----------------------|---------------------------------|
| | <u>GENERAL REVENUE FUND</u> | <u>COMMISSION REVOLVING FUND</u> | <u>HORSE BREEDERS FUND</u> | | |
| WIN, PLACE, SHOW WAGERING | | | | | |
| \$ -0- to \$1 million | 4% | | | 12.25% | |
| 1 million to 8 million | 6% | | | 10.25% | |
| 8 million to 16.75 million | 7% | | | 9% | 1.25% |
| 16.75 million and over | 7% | .625% | .625% | 9% | |
| On daily handles under \$25,000 | | | | | |
| \$ -0- to 8 million | 3% | | | 13.25% | |
| 8 million to 16.75 million | 3% | | | 13% | 1.25% |
| 16.75 million and over | 3% | .625% | .625% | 13% | |
| MULTIPLE WAGERS | | | | | |
| \$ -0- to \$1 million | 4% | .25% | .25% | 12.75% | |
| 1 million to \$8 million | 6% | .25% | .25% | 10.75% | |
| 8 million to 16.75 million | 7% | .25% | .25% | 9.5% | 1.25% |
| 16.75 million and over | 7% | .875% | .875% | 9.5% | |
| On daily handles under \$25,000 | | | | | |
| \$ -0- to \$8 million | 3% | .25% | .25% | 13.75% | |
| 8 million to 16.75 million | 3% | .25% | .25% | 13.5% | 1.25% |
| 16.75 million and over | 3% | .875% | .875% | 13.5% | |

BREAKAGE: To 10¢ (All breakage to track on handles up to \$8 million. All breakage on the handle over \$8 million goes to the state.)

ADMISSION TAX: None

OUTS: All tickets are valid for 60 days following the close of the meet. All monies are retained by the track.

UNDERPAYMENTS: Placed in a comparative pool the following race.

LEGAL AGE: Must be 18 years old to wager. No age limit to attend Black Hills track.
Must be 18 years old to attend Sodrak track.

FINES: Paid to Racing Commission.

SOUTH DAKOTA (continued)

| <u>TRACKS</u> | <u>DAYS</u> | <u>MATS.</u> | <u>TOTAL PERF.</u> | <u>ATTENDANCE</u> | <u>REVENUE TO STATE/SCHOOLS*</u> | <u>P/M HANDLE</u> |
|---------------|-------------|--------------|------------------------|-------------------|--------------------------------------|-------------------|
| BLACK HILLS | 128 | 3 | 131 | 120,956 | \$ 384,616.02 | \$ 6,683,638 |
| SODRAC | 131 | 47 | 178 | 277,798 | 1,909,819.00* | 25,447,058 |
| | 259 | 50 | 309 | 398,754 | \$2,294,435.02 | \$ 32,130,696 |

*Includes \$109,375.00 paid to school district.

VERMONT (1 TRACK)

- TOTAL TAKE OUT:** 19% W/P/S; 25% on all other forms of wagering on all days.
- STATE RECEIVES:** 5% on total wagered each race day conducted Monday through Saturday;
6% on total wagered on Sunday.
An additional percentage on all pools other than W/P/S as determined by the number of racing programs conducted:
less than 150 racing programs-----5%
150 through 200 racing programs-----1½%
201 through 220 racing programs-----1¼%
221 or more racing programs-----1%.
In addition, local township receives a \$200 fee for each racing day.
- BREAKAGE:** To 10¢ (100% to track)
- ADMISSION TAX:** None
- OUTS:** All outs are turned over to the commission on or before the first Monday in December of each year. Payment is made by the state for two years after which money reverts to the state's racing fund.
- LEGAL AGE:** 18 years old to wager.
- FINES:** Paid to Vermont Racing Commission for state revenue.

| <u>TRACK</u> | <u>DAYS</u> | <u>MATS.</u> | <u>TOTAL PERF.</u> | <u>ATTENDANCE</u> | <u>REVENUE TO STATE</u> | <u>P/M HANDLE</u> |
|----------------|-------------|--------------|------------------------|-------------------|-----------------------------|-------------------|
| GREEN MOUNTAIN | 125 | 38 | 163 | 166,943 | \$ 833,883.26 | \$ 12,623,696 |

WEST VIRGINIA (2 TRACKS)

TOTAL TAKE OUT: 16.30%

| <u>DAILY HANDLE</u> | | <u>STATE RECEIVES*</u> | <u>TRACK RECEIVES</u> | <u>CITY/COUNTY RECEIVES**</u> |
|---------------------|--------------|------------------------|-----------------------|-----------------------------------|
| \$ -0- | to \$ 50,000 | 4% | 12.20% | .10% |
| 50,001 | to 100,000 | 5% | 11.20% | .10% |
| 100,001 | to 200,000 | 6% | 10.20% | .10% |
| 200,001 | to 350,000 | 7% | 9.20% | .10% |
| 350,001 | up | 8% | 8.20% | .10% |

* State also receives a \$150 fee per operating day.

**If track is located within city limits, then city receives 1/10th of 1% of handle.

If track is not in city limits, then county receives 1/10th of 1% of handle.

- BREAKAGE:** To 10¢ (All breakage retained by track)
- ADMISSION TAX:** None
- OUTS:** Valid for 180 days following close of meet, then escheats to the state.
- UNDERPAYMENTS:** Responsibility of association to place in comparative pool in the following race.
- LEGAL AGE:** No age limit to attend; must be 18 years old to wager.
- FINES:** Paid to the Special Account, State of West Virginia.

| <u>TRACK</u> | <u>DAYS</u> | <u>MATS.</u> | <u>TOTAL PERF.</u> | <u>ATTENDANCE</u> | <u>REVENUE TO GOVERNMENTS</u> | <u>P/M HANDLE</u> |
|-----------------------|-------------------------------------|--------------|------------------------|-------------------|-----------------------------------|-------------------|
| TRI-STATE WHEELING | Anticipated Opening May 1985 306 | 104 | 410 | 937,327 | \$ 7,366,468.37 | \$ 113,380,372 |

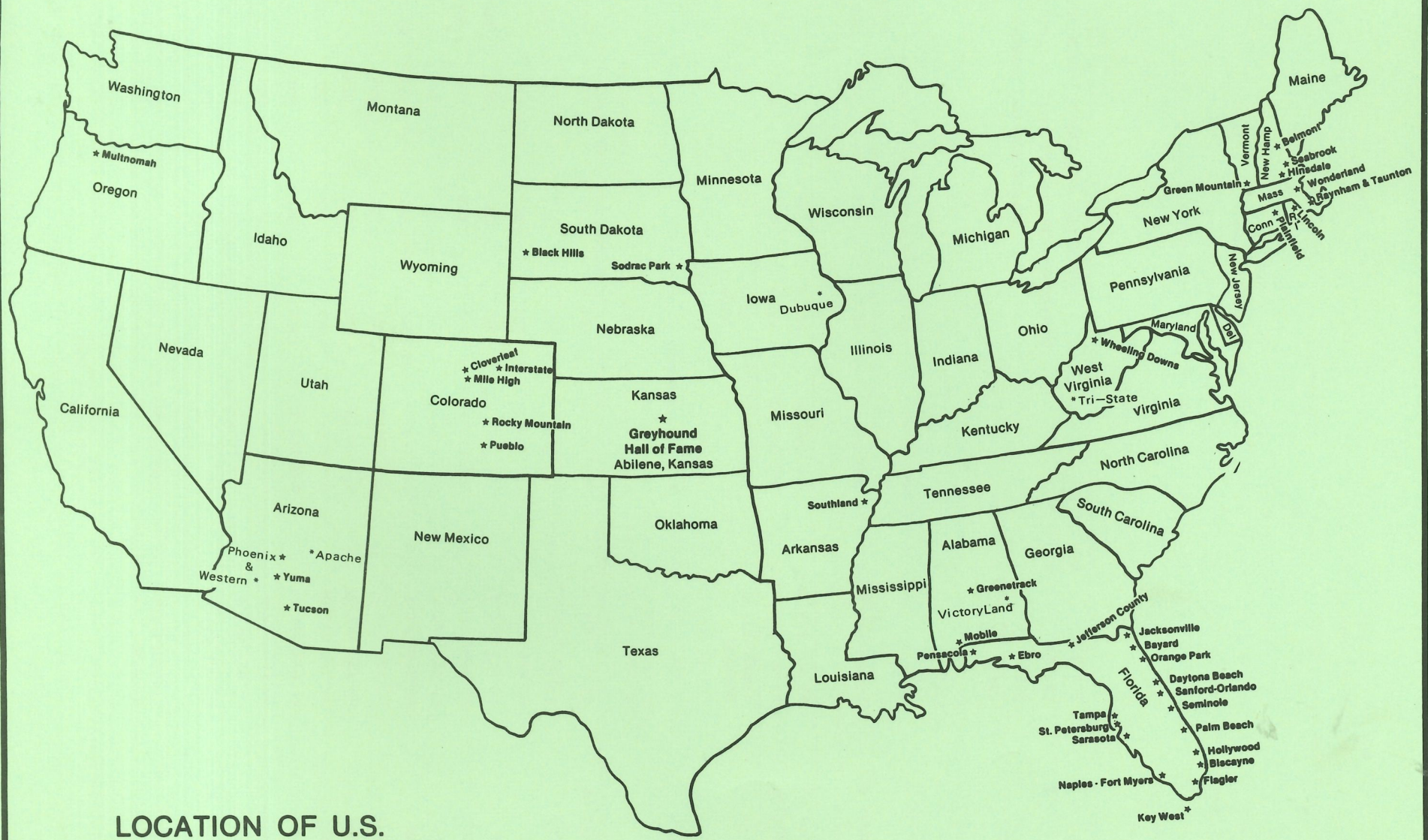
1984 RECAPITULATION

| STATE | DAYS | MATS. | TOTAL PERF. | ATTENDANCE | REVENUE STATE/COUNTY | P/M HANDLE |
|---------------|-------|-------|----------------|------------|-------------------------|-----------------|
| ALABAMA | 676 | 316 | 992 | 1,736,387 | \$ 12,338,400.80 | \$ 216,582,015 |
| ARIZONA | 643 | 236 | 879 | 1,323,550 | 8,546,198.00 | 143,576,960 |
| ARKANSAS | 140 | 35 | 175 | 1,183,212 | 9,861,292.00 | 136,025,430 |
| COLORADO | 364 | 162 | 526 | 1,521,669 | 7,316,519.74 | 180,105,847 |
| CONNECTICUT | 219 | 231 | 450 | 933,419 | 10,144,381.61 | 119,345,666 |
| FLORIDA | 1,878 | 810 | 2,688 | 8,983,236 | 75,440,117.98 | 956,821,309 |
| MASSACHUSETTS | 564 | 206 | 770 | 2,469,609 | 23,992,567.20 | 275,831,660 |
| NEW HAMPSHIRE | 437 | 361 | 798 | 871,684 | 7,178,172.76 | 85,619,398 |
| OREGON | 96 | 17 | 113 | 594,322 | 3,323,712.89 | 52,854,149 |
| RHODE ISLAND | 255 | 197 | 452 | 1,163,790 | 7,768,556.22 | 126,488,553 |
| SOUTH DAKOTA | 259 | 50 | 309 | 398,754 | 2,294,435.02 | 32,130,696 |
| VERMONT | 125 | 38 | 163 | 166,943 | 833,883.26 | 12,623,696 |
| WEST VIRGINIA | 306 | 104 | 410 | 937,327 | 7,366,468.37 | 113,380,372 |
| NAT'L. TOTALS | 5,962 | 2,763 | 8,725 | 22,283,902 | \$176,404,705.85 | \$2,451,385,751 |

COMPARATIVE DATA

| | DAYS | MATS. | TOTAL PERF. | ATTENDANCE | REVENUE STATE/COUNTY | P/M HANDLE |
|-------------------------|--------|-------|----------------|------------|-------------------------|-----------------|
| 1983 | 5,964 | 2,635 | 8,599 | 22,090,018 | \$167,575,336.14 | \$2,325,846,934 |
| 1984 | 5,962 | 2,763 | 8,725 | 22,283,902 | \$176,404,705.85 | \$2,451,385,751 |
| AMT. INC/(DEC) | (2) | 128 | 126 | 193,884 | \$ 8,829,369.71 | \$ 125,538,817 |
| PERCENTAGE INC/(DEC) | (.03%) | 4.9% | 1.5% | .9% | 5.3% | 5.4% |

| | 1983 | 1984 |
|---|------------|------------|
| AVERAGE ATTENDANCE PER PERFORMANCE | 2,568 | 2,554 |
| AVERAGE REVENUE TO STATE/COUNTY PER PERFORMANCE | \$ 19,488 | \$ 20,218 |
| AVERAGE PARI-MUTUEL HANDLE PER PERFORMANCE | \$ 270,478 | \$ 280,961 |



LOCATION OF U.S. GREYHOUND TRACKS

People who love people hate parimutuel because "people who can't afford to gamble, gamble too much." (Quote from Attorney General Stephen.) This is backed up by sound research and by people who attend the track and look at other people there.

If people can afford to go out of state to gamble, maybe they can afford to lose what they are sure to lose. As the Wall Street Journal states, gambling is "technically a swindle." (See \$250,000 example.)

If a gambling track is near Topeka or Wichita, local people will gamble away consumer dollars now spent on main street. Our Constitution takes a strong stand for consumer protection by not permitting the public swindle called parimutuel.

People who love horses hate parimutuel gambling. The Kansas Federation of Humane Societies is opposed to parimutuel because of "injury and death of race horses" caused by drugs and bad tracks.

People who love parimutuel love money, not horses or dogs. Yet parimutuel promoters seemed to be fooled by their own propaganda. Nebraska gambling promoters paid the Killingsworth Company some \$100,000 to study the tracks and this conclusion was reached, "it is an industry with a troubled future." Horse owners received total purses of \$8.8 million for the year but paid \$15 million to keep their horses running, so most were losing money.

Parimutuel taxes in Nebraska total just over \$9 million yearly, an amount a 1/20th cent sales tax in Kansas will produce. If property taxes could be reduced with a 1/20th cent sales tax, lawmakers would have jumped on that one years ago!

Parimutuel promoters talk about spin off of dollars gambled away at the track. Those same consumer dollars now spent on main street have just as much spin off and we avoid problems caused by this activity criminal in nature, a legal skimming operation. For \$3 lost at the track, the state receives \$1. People are better off paying \$1 in taxes and keeping the other \$2 in their own pocket rather than filling the pockets of non-profit gambling promoters.

The KANSAS FARMER magazine for February 16, 1985, carried two in-depth articles on the YES and NO side of parimutuel gambling. On the NO side, horse breeder Ora Martin of Ulysses said no amount of dollars in a horse trader's pocket is worth the human suffering that results from legalized gambling. "Too many people lose money they can't afford to lose," and he has seen it happen too many times in his area where Gateway Downs beckons Kansans to Holly, Colorado.

Kansas gambling tracks would greatly multiply the heartache and suffering.

4/3/85
Attach #. I

On roll call, the vote was: Yeas 28, nays 12; present and passing 0; absent or not voting 0.

Yeas: Allen, Anderson, Bogina, Burke, Feleciano, Gaines, Gannon, Hayden, Hoferer, Johnston, F. Kerr, Langworthy, Martin, Montgomery, Morris, Mulich, Norvell, Parrish, Reilly, Salisbury, Steineger, Strick, Talkington, Vidricksen, Walker, Werts, Winter, Yost.

Nays: Arasmith, Daniels, Doyen, Ehrlich, Francisco, Frey, Gordon, Harder, Karr, D. Kerr, Thiessen, Warren.

A $\frac{2}{3}$ constitutional majority having voted in favor of the resolution, **SCR 1605** was adopted, as amended.

I say, trust the people; let them speak and honor their decision. Leave us not build hypocrisy, on hypocrisy, by denying again and again their participation.

Let the *PEOPLE SPEAK*, let the will of the majority prevail and lets be done with this matter.—JACK STEINEGER

erer, Johnston, Karr, D. Kerr, F. Kerr, Morris, Parrish, Reilly, Salisbury, Talkington, Thiessen, Vidricksen, Werts, Winter, Yost.

Nays: Bogina, Burke, Daniels, Doyen, Feleciano, Frey, Gaines, Gordon, Harder, Langworthy, Martin, Montgomery, Mulich, Norvell, Steineger, Strick, Walker, Warren.

A $\frac{2}{3}$ constitutional majority having failed to vote in favor of the resolution, **SCR 1616** was not adopted.

MR. PRESIDENT: I desire to explain my vote on **SCR 1616**.

This resolution eliminates 30% of the tax base in Wyandotte County by removing machinery and equipment and inventories from taxation. This escaped property eliminates approximately 100 million dollars of County valuation which means a rate increase for all other property in the County; approximately a 12% increase for homeowners, and a greater increase for small business. I vote "No" on **SCR 1616**.—JACK STEINEGER

Twelve Senators who vote YES on SCR 1605 and later vote NO on SCR 1616 prove that lawmakers vote on the merits of the proposed constitutional change. That is precisely what they are supposed to do.

According to Article 14, if the Legislature shall approve a proposition for the amendment of our Constitution, such proposition to amend shall be submitted to the electors for their approval or rejection.

According to the Kansas Supreme Court, the relationship of the Senate and House on legislative change is like the relationship of the Legislature and people on Constitutional change.

Senator Steineger is strongly in favor of the right of the people to vote on public liquor by the drink but he is strongly opposed to the right of the people to vote on this property tax classification amendment. Why? He trusts the people to vote on what he wants them to pass but he does not trust their wisdom to reject what he wants rejected. Those who want the change can not lose with a vote of the people, they can only win.

On March 14, 1985, Governor John Carlin speaking to the Downtown Topeka Rotary Club concerning a property tax classification amendment said, "We've got to get a 2/3rds vote to change the Constitution." If lawmakers vote to change the Constitution, the Secretary of State shall submit it to the people.

Speaking to the Downtown Rotary Club in Topeka on October 2, 1980, Governor Carlin told of his desire to protect the reappraisal of urban and rural real estate by passing a Constitutional amendment. He did not say the people have the right to vote on his classification amendment. He said, "It requires a two-thirds vote of the Legislature to win approval of something that is truly good for Kansas." If the Legislature believes public liquor by the drink is truly good for Kansas, the Secretary of State shall submit it to the voters.

Speaking at an Eggs & Issue Breakfast on February 4, 1969, concerning another Constitutional amendment, Senator Bennett who later became Governor said, "We do not vote to submit that which we do not want passed." Lawmakers who want the people to pass parimutuel gambling will vote YES.

Senators who vote YES want to change the Constitution, they believe the change is truly good for Kansas, they want the people to pass the proposed change. Other Senators vote NO.

Richard Taylor

March 22, 1983



ST. JOHN'S LUTHERAN CHURCH

901 FILLMORE STREET • TOPEKA, KANSAS 66606

Telephone 354-7132

The Reverend Theodore L. Staudacher, Pastor

The Reverend Roger M. Goetz, Pastor/Minister of Music

Mr. Dennis L. Hintz, Director of Christian Education

Prior to moving to Kansas almost 4 years ago, I spent 17 years as a pastor in the Chicago, Illinois area. While ministering in the suburb of Thornton on the south side, I lived about 8 miles from Balmoral Race Track and only about 1 mile from Washington Park Race Track. Then we moved to Mt. Prospect on the northwest side, only about 4 miles from Arlington Race Track. The people of our community and the people of our congregation in both locations were very much affected by what went on at the tracks.

"Bettin' on the races" became an obsession with so many people who simply could not afford it, that much of my time was spent in counseling with them and their families or making referrals to the newly established "Gamblers Anonymous" in Chicago. On the surface there didn't seem to be anything wrong with going over to the track, ordering a delicious meal in the restaurant, and relaxing in very posh surroundings, or perhaps placing a \$2 bet. But under the surface, it was a different story altogether! Many people were unaware of the very deep involvement of the Chicago Syndicate (The Mafia), lost revenues, and families who went "bankrupt" financially and spiritually as a result. In Thornton, most of my people were "blue-collar" workers and day laborers - who could little afford the luxury of another addiction! Being acquainted with the nature of human nature as I am, it was easy to understand why so much of their time was spent in talking about "GET-RICH-QUICK" schemes and about the time 2 years ago when they won \$150! After several years in Thornton, I made the surprising discovery that one of my members was a "MUSCLE MAN" for the syndicate. He was frequently called upon to "DEAL WITH" people who "WELCHED" on their bets or tried to get away from the "BOOKIE"! If you think Kansas is beyond the reach of any syndicate involvement, I think you'd be sadly mistaken! Well-meaning legislators, track promoters, quarter horse ranchers, and racing enthusiasts would quickly find themselves in the rumble seat of things!

A friend of mine, Lt. Ken Nevills, a photographer for the Lansing, Illinois, police department, showed me some pictures he had taken of various individuals connected with the tracks who, unfortunately, ran afoul of the syndicate! I specifically remember one who was found in the trunk of a car and his body was a literal sieve - ice pick holes!

My wife, Carol, our four children, and I are very happy in Kansas! We own our own home, and God willing, will retire here. One of the first things we noticed after moving here was that most of the kids, the teen-agers, were beautifully naive. They weren't drug-wise, street-wise, and other-wise on the scale we had experienced in Chicago. We are happy that Santa Fe will stay in Topeka, that we're getting a new air terminal, and talk of a sports complex, but we are definitely not in favor of parimutuel betting! As I was leaving home this morning, my son David (Sr. at Seaman High) said: "Dad, why don't you suggest that they legalize all crime.....and tax it!"

The people of my congregation will not hear me preach in favor of this candidate or that, nor will they hear me preach "politics" from my pulpit. I'm a firm believer in separation of church and state. But I can....no, I must speak up as a concerned citizen. I humbly submit that Kansas definitely would not benefit, in the long run, from parimutuel race tracks. The "liabilities" are just simply too great! Therefore, I would encourage you to vote NO on parimutuel gambling.

Rev. Theodore Staudacher

Statement by Charles Marling, 3 Peppertree Lane, Topeka, Kansas.

I am a retired retail furniture merchant. During my business life I spent much time and money supporting economic development for Topeka. But pari mutual is not economic or industrial development. Pari mutual is based on half the participants losing. In true economic development the intent is benefit to the entire community.

I want to tell you how it is to live and work in a community with a race track and pari mutual betting. I can tell you this first hand because I was in the army, stationed at Army and Navy General Hospital at Hot Springs, Arkansas from March 1943 to October 1945. I was commanding officer of the enlisted men stationed there.

First of all, during the race season which lasts two or three months, perhaps longer now, a very different feeling pervades the community. Nearly all eyes are on the race track. It is virtually impossible to ignore the race track activities and local folks really get caught up in it. You know how it is when world series games or Big Eight football or basketball games are on. Well imagine that every weekday for months. In a race track town many workers start talking about the races just about as soon as they get to work in the morning, so others in the office or plant/^{or store} are involved or distracted. There's talk of yesterday's results, winnings and losses. Then talk about today's horses, jockeys, odds, etcetera. Then about who is going to work that afternoon and who is going to be off for the races. Along toward noon the placing of bets gets underway, sometimes by phone, sometimes at a nearby bookie. Persons at work tune in the radio for the running of the six or eight races in the afternoon, and there are moments of despair or jubilation. Between the races much talk about what was won, bet, lost and so forth. There's just no ignoring a radio playing with a horse race on it.

Next day it is the same routine all over. The sports pages are heavy with news of the "sport of kings" which has taken over the city.

But these are the things one sees first hand. What one doesn't see is the true economic cost or loss. Merchants and lenders experience increases in bad debts and this cost has to be covered in the charges made to people who pay their bills. There is increased absenteeism of workers and there is a loss of wages to them or an increased cost to their employers and ultimately to consumers. Then there are heavy social costs to the families of addicted gamblers, and to their employers, be the employer be government or private business: Problems caused by a habit out of control. Pari mutual has introduced many many thousands of people to gambling who wouldn't have gambled otherwise.

Im opposed to pari mutual for the hardship it causes and for the disruption and distortion of community life. I don't want horse races or dog races or other forms of gambling to dominate life in my home town for several months a year. I'm sure you don't want to risk a big change in the way of life in your district, a change that once it is made is going to be almost impossible to rescind. I urge you to stand fast against pari mutual. Thank you.

STATE OF KANSAS

RICHARD L. HARPER
REPRESENTATIVE, ELEVENTH DISTRICT
BOURBON, CRAWFORD, AND LINN COUNTIES
RFD NO 3
FORT SCOTT, KANSAS 66701



TOPEKA

COMMITTEE ASSIGNMENTS
CHAIRMAN ELECTIONS
MEMBER JUDICIARY
TRANSPORTATION

HOUSE OF
REPRESENTATIVES

April 4, 1984

Something is often overlooked in the plea of parimutual supporters "to allow the people to vote." The Oklahoma Secretary of State reports parimutuel promoters spent over one million dollars on advertising to convince voters that race track gambling would reduce their taxes. The people voted YES.

If 111 members of the Kansas legislature vote for HCR 5082 (27 in the Senate and 84 in the House), persons who want to maintain quality of life in Kansas superior to other states will be forced to raise over one million dollars to advertise the truth at election time to equal what was spent in Oklahoma. Each lawmaker who votes YES would cost concerned Kansans more than \$10,000.00 (\$10,000 times 111 is over one million dollars).

Long time Representative John Bower said it well. "My wife and I tithe to support our little church that is doing a positive work for good in our community and beyond. I would hate to use some of this money in a campaign to defeat parimutuel gambling at election time, but I would."

Persons who want parimutuel want to vote on it. If the vote goes YES, millions of dollars will go into pockets of track operators and race horse owners. If the vote goes NO, things just stay the same. Gambling promoters can't lose, they can only win.

Concerned citizens who don't want parimutuel don't want to vote on it. If the vote goes YES, they lose and quality of life takes a step backward. If the vote goes NO, things just stay the same. Concerned citizens can't win, they can only lose.

If your opponent can't lose and you can't win, it is easy to see why concerned citizens are asking us to refuse to approve a proposition to change our constitution and permit race track gambling. To equal what was spent by gambling promoters in Oklahoma, your vote to approve this constitutional change would cost concerned Kansans \$10,000 they would rather spend on that which builds up our state.

Persons opposed to race track gambling don't want to spend over one million dollars just to keep promoters of this public swindle called parimutuel from tearing down our state. Please vote NO on parimutuel gambling.

Respectfully yours,

Richard L. Harper
Richard L. Harper,
State Representative

RLH:d1m

I am Charles Wright, former Mayor of Topeka and a member of the Advisory Committee to KANSANS FOR LIFE AT ITS BEST! As a public servant, I have had experience with taxes.

Pari-mutuel wagering promoters tell us taxes from race track gambling will reduce property taxes, provide money for increased teacher salaries, help our elderly, and benefit highways. Uninformed people believe that!

But I remember 1948 when those who wanted to get rich selling our most abused drug told the public that legal liquor would "provide more money for OLD AGE PENSIONS, pay raises for TEACHERS, better ROADS for FARMERS, assistance to VETERANS, or any other worthy public project."

What happened? The more alcohol people drink, the more problems, and the higher our taxes go! Persons in New Jersey and other states have found that every time you legalize another form of commercial gambling, you end up paying higher taxes.

Legal alcohol did reduce the amount of illegal alcohol sold in Kansas, but total consumption skyrocketed and so did problems caused by the drug! Legal gambling always brings an increase in illegal gambling, so problems caused and taxes needed to repair the social damage will skyrocket even faster than with alcohol.

The front page of the Omaha World-Herald announced \$9.2 million received in pari-mutuel gambling taxes for 1983. Big deal! Did that reduce their taxes? The front page of the Topeka Capital-Journal on October 2, 1983 said, "One difference that appeared when the Capital-Journal began collecting statistics on the two cities was the tax rates. The property tax rate in Lincoln (NEB) is nearly twice as high as in Topeka. Operators of cars on the city streets there pay a wheel tax of \$12 a year, which Topeka drivers don't pay. The total sales tax paid on purchases made in Lincoln is 1 cent higher than the sales tax in Topeka. A motorist filling his gasoline tank in Nebraska pays 5 cents a gallon more in taxes than Kansans pay."

If Kansas needs another \$9.2 million, I'll gladly pay an additional 1/20th cent sales tax to raise that amount.

This idea of letting Kansans vote on pari-mutuel gambling is plain and simple...a scheming calculated ploy by big gambling interests, so they can spend millions of dollars "brainwashing" our citizens on all the marvelous things race track gambling can bring to Kansas...just like back in 1948, and as was done in Oklahoma. There the gambling interests bought YES votes by spending over \$1 million on advertising to convince voters that pari-mutuel would reduce their taxes. How deceptive can you get!

This is already happening in Kansas. In yesterday's Topeka Capital-Journal, they placed this ad urging you to let Kansas people vote on the issue. They know that already most Kansas people...uninformed on the real issue...believe pari-mutuel will reduce their taxes. Taxpayers today are ready and willing to buy anything they hear about reducing their taxes...never mind the consequences!

Kansans who know the facts oppose pari-mutuel, realizing that state and local taxes paid by Kansans, as a percent of personal income, are already among the lowest in the nation. People who want to keep it that way are working hard to defeat pari-mutuel wagering.

Michigan has bingo gambling, race track gambling, a state lottery, and now headlines proclaim PROPERTY TAX RELIEF OFFERED IN EXCHANGE FOR SLOT MACHINES. Kansas gambling promoters are dealers in the BIG LIE just like their counterparts in Michigan.

I ask you...yes, I URGE YOU...TO VOTE NO ON HCR 5082!

Thank you very much.

(Testimony given at Hearing on pari-mutuel gambling before the Federal and State Affairs Committee of the Kansas House on Monday, March 19, 1984 - big ice storm)

Nebraska State Legislature

Unicameral
Lincoln, Nebraska 68509

SENATOR HOWARD L. PETERSON

District No. 35
1522 West 1st
Grand Island, Nebraska 68801

Legislative Address:
State Capitol
Lincoln, Nebraska 68509
Office: (402) 471 2617



COMMITTEES

Appropriations
Building Maintenance
Legislative Council

EIGHTY-EIGHTH LEGISLATURE

March 8, 1984

Reverend Richard Taylor
Kansans For Life At Its Best
Box 888
Topeka, KS 66601

Dear Reverend Taylor:

Every spring, when the horses race at Fonner Park in Grand Island, people borrow money on their cars, their household goods, their homes to bet on the winning ticket. Every year, some people lose everything.

Grand Island is my legislative district. This tragedy occurred each spring when I was a banker there and, according to my friend, Cliff Dale, the losers have not stopped risking everything.

I offered this testimony in opposing the state lottery proposal in Nebraska. Some people will become gamble-holics; real families suffer. The State of Nebraska has no business being involved in a tax-revenue raising enterprise which has gambling as its basis of support.

Sincerely,

Howard L. Peterson
State Senator

HLP/ap
cc: ~~Jim Hamilton~~

General Manager: Messengers Cut Into Ak's Business

•Continued from Page 15.

distinct possibility."

One rumor at Ak was that messengers have hired legal counsel to attempt to legalize accepting bets on all sports. Becker had no comment on that.

Overall, in assessing the long season, Becker said Ak is not discouraged or concerned that the average mutuel handle was 8.22 percent lower than last year and attendance was 10.7 percent below 1982.

Becker identifies averages as having only intramural significance.

"I don't think the public gives a hoot if we're 'up' or 'down,'" he said. "They go to the races for fun."

He cited one of his pastimes as an example.

"I enjoy reading the newspaper. That's one of my hobbies," the former Lincoln newspaperman said. "I don't wonder if advertising volume or circulation is up or down. I want my newspaper."

Hot Weather Cut Crowds

Becker also discounted the possible harm "bad news" developments had on attendance. Such disclosures were the cocaine investigations, late-season track conditions, the alleged Brindy Brindy foul in the Oaks Stakes and the illegal "protected claim" among horsemen.

"I think the people respect us for the fact that we realized we had problems and tried to solve them," Becker said. "When they come to the races, they don't think about claims or fouls. They're concerned on whether 'their"

horse can win."

Patrons also were bothered by extremely hot weather late in the season, Becker said. The weather, he said, joins the messengers as the two prime factors in cutting crowds and handle.

While Ak has no control over the weather, it is trying to solve other problems for 1984. One of the primary goals is to remedy the woes caused by what horsemen said was a varying surface on the track.

Work Starts Sept. 21

Bob Volk, assistant general manager, and Stan Bowker, director of racing, will meet with track expert L.E. Gregg of Lexington, Ky., Tuesday. They'll inspect the Churchill Downs track at Louisville, Ky., the site of the Kentucky Derby.

"A lot of horsemen told us how good Churchill is," Becker said. Ak may get some ideas from it.

Gregg, who supervised the renovation of Ak's track in 1975 and 1976, will be on a team of experts which will start major work on Ak's surface on Sept. 21.

"We think our pan (track base) is mixed with the cushion (soft top soil)," Becker said. "We're going to throw the cushion away."

Work can't start before Sept. 21 because Ak is keeping its barns and track open until Sept. 20 for horsemen waiting to race at Lincoln, which opens Sept. 16, at Chicago or at New Jersey's Meadowlands.

The condition of a racetrack "is a constant battle. Everywhere," Becker said. He said Gregg contends that a

track is like a highway and needs possible renovation every four or five years.

The hardest wear is in morning workouts, Becker said, when 600 to 700 horses may use the track.

Becker is convinced that the jump from 66 to 85 days was better than adding a few days each year to reach 85. He said patrons need to be "educated" to longer seasons and that Ak also

learned some lessons. He chose not to elaborate.

Another rumor in the barn area Sunday was that Ak subsequently will seek a 100-day season, racing to about the time Lincoln starts after its State Fair ends.

"That's completely unknown to me," Becker said. "We haven't even talked about that."

Omaha World-Herald

Monday, August 29, 1983 15

UTIVE
LUNCH
\$2.75

'Bet Messengers Cut Into Ak's Business'

By Don Lee

World-Herald Staff Writer

Dick Becker put his Sunday paper aside long enough to reflect on Ak-Sar-Ben's longest race season, which ended Saturday — and he came up swinging verbally.

His target was Omaha bet messenger services, the organizations which carry patrons' wagers to the racetrack.

"We think they're hurting us badly," Becker said.

Ak's general manager said the track's pari-mutuel handle for its 85-day campaign was \$137,032,883. Attendance was 1,160,695, and both are peaks for Ak.

'No Accountability'

But they might have been higher, according to Becker, who estimated there are 35 messenger shops in Omaha.

"That hurts our attendance and our handle," he said.

"If each of them do 100 people a day, that's 3,500 people. They use our sport to thrive on. They don't pay taxes. They have no accountability. Something has to be done about this."

Omaha is the only large city in the nation which still tolerates messenger services, Becker said.

"We need a law with more teeth in it," he said. "To prevent these parasites from operating on our business."

The present law restricts messengers from charging a fee to carry bets. They circumvent the law, according to Becker, by not asking a fee but by having patrons "donate" a percentage of winning wagers to the messenger.

Average Handle Down

Asked if he thought messengers were booking some bets, rather than taking them to the tracks, Becker said, "It's a

Please turn to Page 16, Col. 1.

Nebraska Thoroughbred Tracks

| Track | Daily Average Attendance | | | | | Daily Average Handle | | |
|-------------|--------------------------|------|--------|--------|-------|----------------------|-------------|-------|
| | 1983 | 1982 | 1983 | 1982 | % | 1983 | 1982 | % |
| Ak-Sar-Ben | 85 | 46 | 13,655 | 15,252 | -10.5 | \$1,612,152 | \$1,756,691 | -8.2 |
| Atokad Park | 37 | 40 | 1,743 | 1,647 | +5.8 | 156,786 | 94,913 | +26 |
| Columbus | 22 | 26 | 3,420 | 3,492 | +3.7 | 350,504 | 327,393 | +7.1 |
| Fonner | 39 | 40 | 5,205 | 4,983 | +4.3 | 646,480 | 592,979 | +9.0 |
| Lincoln | 43 | 50 | 4,395 | 5,397 | -18.6 | 485,173 | 620,921 | -21.9 |

Various Other Thoroughbred Centers

| Track | Daily Average Attendance | | | | | Daily Average Handle | | |
|------------------|--------------------------|------|--------|--------|-------|----------------------|-----------|-------|
| | 1983 | 1982 | 1983 | 1982 | % | 1983 | 1982 | % |
| wAquaduct | 57 | 57 | 13,574 | 13,394 | +1.3 | 2,790,517 | 2,573,324 | +8.4 |
| xArington | 54 | 52 | 14,749 | 16,549 | -10.9 | 3,005,666 | 3,299,352 | -8.9 |
| Bay Meadows | 109 | 121 | 11,288 | 10,420 | +6.3 | 1,502,214 | 1,459,957 | +2.9 |
| Belmont Park | 75 | 79 | 9,477 | 9,222 | +2.8 | 1,756,917 | 1,753,079 | +0.2 |
| Centennial | 60 | 70 | 19,530 | 18,424 | +6.0 | 3,163,544 | 3,191,157 | -11.3 |
| sChurchill Downs | 93 | 55 | 3,056 | 3,789 | -6.9 | 283,110 | 319,157 | -11.3 |
| Del Mar | 43 | 43 | 19,584 | 19,583 | 0.0 | 3,267,720 | 3,111,587 | +5.0 |
| Detroit | 90 | 90 | 5,037 | 4,851 | +3.8 | 726,563 | 657,948 | +10.8 |
| NOrleans Fair | 97 | 96 | 8,933 | 7,989 | +9.6 | 1,326,625 | 1,339,631 | -1.0 |
| Gulfstream | 50 | 50 | 14,074 | 10,800 | +30.3 | 2,119,836 | 1,473,287 | +43.9 |
| Hialeah | 50 | 50 | 8,966 | 12,782 | -27.0 | 1,335,666 | 1,855,931 | -28.0 |
| Hollywood | 68 | 66 | 28,891 | 27,723 | +6.1 | 5,201,186 | 5,079,628 | +2.4 |
| Oaklawn Park | 56 | 56 | 23,271 | 23,154 | +0.5 | 3,013,231 | 2,842,784 | +5.7 |
| Pimlico | 76 | 60 | 8,903 | 9,720 | -8.4 | 1,161,359 | 1,208,042 | -3.9 |
| Santa Anita | 89 | 86 | 32,014 | 31,289 | +2.3 | 5,231,670 | 5,112,405 | +2.3 |
| Sportsman's | 75 | 74 | 9,683 | 9,708 | -0.3 | 1,459,177 | 1,432,415 | +1.5 |
| yPhoenix | 78 | 96 | 6,420 | 5,847 | +9.8 | 457,414 | 560,511 | -22.5 |
| zPhoenix | 80 | 96 | 4,841 | 4,825 | +0.3 | 457,867 | 480,266 | -4.7 |

sSpring-summer meeting only. wWinter meeting. xSpring meeting. yFall-winter meeting. zWinter-spring meeting. Source: Daily Racing Form.

Nebraska Quarterhorse Tracks

| Track | Daily Average Attendance | | | | | Daily Average Handle | | |
|------------|--------------------------|------|-------|-------|------|----------------------|----------|------|
| | 1983 | 1982 | 1983 | 1982 | % | 1983 | 1982 | % |
| Broken Bow | 12 | 12 | 740 | 724 | +0.2 | \$24,665 | \$25,040 | -2.0 |
| Deshler | 15 | 15 | 993 | 1,156 | -3.0 | 35,662 | 40,037 | -2.0 |
| Hastings | 18 | 18 | 1,205 | 1,230 | -0.2 | 41,522 | 44,612 | -2.0 |



A 1/20th cent Kansas sales tax will produce more than \$9.2 million.

Continued from Page 23

as lights for night racing, a longer straightaway and a longer track.

"Those, in turn, would necessitate some grandstand changes," he said.

Henry Brandt, the Fairgrounds manager, said in November that such remodeling is planned. But he said no time schedule has been set because of the lack of money.

The Fairgrounds still is paying on the \$5.4 million debt for the 1976 grandstand construction. The major difficulty in getting better race dates for Lincoln, Farnham said, is the annual State Fair in late August and early September.

"The state has to realize that Lincoln is not only a race meet but the State Fair," he said.

Fonner Park Succeeds

Farnham complimented Fonner Park's officials on the promotion of the annual winter-spring meeting, in spite of usual foul weather.

"Fonner Park has always taken the attitude that adversity is something that you figure out how to overcome," Farnham said. "With that kind of thinking, it has become the most successful small track in the United States."

Pari-Mutuel Taxes

| Track | 1983 | 1982 |
|-------------|-------------|-------------|
| Ak-Sar-Ben | \$6,801,644 | \$5,747,080 |
| Fonner Park | 1,210,636 | 1,135,959 |
| Lincoln | 993,123 | 1,502,303 |
| Columbus | 135,554 | 375,610 |
| Atokad | 39,555 | 65,217 |
| Total | \$9,180,512 | \$8,826,169 |

Total 1982 split in 1982. Atokad season split both years.

posed to any big gains."

Farnham said Nebraska's quarterhorse tracks — at Broken Bow, Deshler and Hastings — have yet to flourish because "trying to start a quarterhorse circuit in a more sparsely portion of the state is a problem."

Hastings is the healthiest, he said, because its track is in the largest of the three towns. And its financing, Farnham said, involved citizens who bought bonds to build the plant.

Nebraska is not alone in racing date problems, Farnham said.

'Bickering Costs Florida'

Florida's two Thoroughbred centers — Gulfstream Park and Hialeah — suffer from allocations. Generally, they alternate choice January and February dates, with only the one with the preferred season really prospering.

"That's when all the wealth from the north United States and Canada goes down," he said.

Florida, he said, has "lost a lot of horses to California because of date bickering."

Kentucky tracks also bicker, with Churchill finding much opposition.

California racing, Farnham said, is healthy because of a strong commission. "They just exercise great wisdom over the years," he said.

'Drastic Fall' Avoided

Farnham defended Ak's expanded dates as a move to keep good stables coming to Omaha.

"If we had not made the change in the Nebraska dates, we would have seen a really drastic fall in Ak-Sar-Ben attendance," Farnham said. "Nebraska racing's main job right now is to solidify and hold onto what we have, as op-

State's Pari-Mutuel Tax Is \$9.2 Million

By Don Lee
World-Herald Staff Writer

Nebraska's five Thoroughbred race tracks paid a record pari-mutuel tax of almost \$9.2 million in 1983.

It was a 4 percent increase over 1982, and the first time the tax went above \$9 million.

The tax totaled \$9,180,512 in 1983, the result of the 5 percent tax on pari-mutuel wagering at the five Thoroughbred tracks.

Ak-Sar-Ben, which increased its racing days from 66 in 1982 to 85 in 1983, again led the field in wagering. The Omaha track's check for \$6,801,644 continued a record of another kind.

"That is the largest single tax payment the state receives every year," State Treasurer Kay Orr said.

The money goes into the state general fund.

Fonner Park in Grand Island placed second in 1983 racing tax, with \$1,210,636. The others: Lincoln Fairgrounds, \$993,123; Agricultural Park in Columbus, \$135,554; and South Sioux City's Atokad Park, \$39,555.

The total continued an annual record climb since leaving the \$7 million mark after 1980. It was \$8,818,464 in 1981 and \$8,826,169 in 1982.

"It obviously reflects the health of the industry," said attorney Harry Farnham of Elkhorn, chairman of the Nebraska Racing Commission.

Farnham said the tax isn't the only benefit from racing.

"Whenever anybody asks me about the pari-mutuel tax," he said, "I always say that figure is misleading because it is nothing compared to the overall financial benefits to the state and cities from horse racing."

Farnham recalled a Boston analyst's 1981 report which showed that horse-connected jobs in Nebraska were worth \$250 million to the economy annually.

That impact, Farnham said, includes the racing and breeding of horses plus such related industries as the production of hay and grain to feed horses; farms where horses are trained for racing; sites for boarding horses; and other businesses such as equipment, transportation, restaurants, hotels and automotive services.

"The \$9 million tax is great," he said. "But consider the benefits of the allied things, and they are 20 or 30 times more valuable to the state than the tax."

There's a bit of irony in the upward trend of the betting tax: The tracks in the state's two largest cities dropped in daily average attendance and wagering during 1983.

Ak-Sar-Ben's attendance average of 13,655 was 10.5 percent below the record 15,252 of 1982. And its \$1,612,152 daily betting was 8.2 percent lower than the previous year's \$1,756,691.

Lincoln Fairgrounds' comparative crowd and betting figures for 1983 and 1982: the 4,395 average crowd in 1983 was 18.6 percent under 5,397; the \$485,173 average wagering in 1983 was 21.9 percent less than \$620,921.

"I expected Ak-Sar-Ben would be down," Farnham said, "because when a track goes to a longer meet, the averages are bound to dip."

Lincoln was changed from a split summer-fall season in 1982 to a complete autumn campaign.

Farnham said Lincoln won't show a spurt in growth until it gets such things