

Approved

3/13/86  
Date

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS.

The meeting was called to order by Senator Edward F. Reilly, Jr. at  
Chairperson

11:00 a.m. ~~pm~~ on March 6, 1986 in room 254-E of the Capitol.

All members were present ~~except~~

Committee staff present:

J. Russell Mills, Legislative Research  
Emalene Correll, Legislative Research  
June Windscheffel, Committee Secretary

Conferees appearing before the committee:

Senator Frank Gaines  
Jonathan Small, Kansans for Pari-Mutuel (KPM)  
Dr. James Coffman, President of American Association of Equine Practitioners, Manhattan  
Thane Cozart, Parsons, Kansas  
The Reverend Richard Taylor, Kansans for Life at Its Best!  
Marc Rogers, Kansans for Life at Its Best!  
Ann Gonnerman, National Society for the Protection of Animals, Kansas City, Missouri  
Wendell Maddox, The Humane Society of the United States, Kansas City, Missouri  
Margaret Clark, Topeka  
James W. Sloan, Kansas Federation of Humane Societies, Topeka

SCR5024 - concerning amending the constitution of the state of Kansas by adding a new section authorizing the legislature to permit, regulate, license and tax the operation or conduct of horse and dog racing by bona fide nonprofit organizations and parimutuel wagering; and providing for county option.

The Chairman asked the Committee to turn its attention to SCR5024. He stated that this is not a new proposal so he sees fit for a one-day hearing because the matter has been heard before. He said if there are those desiring to speak who, because of the matter of time are unable to appear, that a copy of their statement will be given to the Committee and also made a part of these Minutes.

The first conferee was Senator Frank Gaines, a proponent of the measure. His statement is Attachment #1.

Mr. Jonathan Small, of Kansans for Pari-Mutuel, was the next speaker. Mr. Small is also a proponent of the bill. A copy of his statement is Attachment #2.

Dr. James Coffman, Dean of the College of Veterinary Medicine at Kansas State University, was the next conferee. Dr. Coffman is also President of the American Association of Equine Practitioners. He said that he was appearing in his own behalf at this meeting. A copy of his paper on "Pari-Mutuel Wagering" is Attachment #3.

Dr. Coffman said that a common sense observation of the productivity of horses is that it is directly proportional to their management and care and the incentive drives the system toward quality management and care. He also said the wellbeing of the horse is a burning issue with him and with everyone charged with the stewardship of a horse. Dr. Coffman also said there is a widespread move afoot concerning prevention of injury. He said the matter of the humane issue is a major issue with the American Association of Equine Practitioners.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS,  
room 254-E, Statehouse, at 11:00 a.m. ~~xxx~~ on March 6, 1986.

Mr. Thane Cozart, publisher of "Farm Talk", an agricultural newspaper, was the next conferee. His statement is Attachment #4. He appeared as a proponent.

The next statement in support of the measure is that of Mr. Jim Edwards, Director, Public Affairs, of the Kansas Chamber of Commerce and Industry (KCCI). Mr. Edwards was present, but in the interest of time chose to relinquish his place on the agenda. His statement is Attachment #5.

Mr. Rich McKee, of the Kansas Livestock Association (KLA), was unable to be present, but his statement is part of these Minutes. It voices the support of the Kansas Livestock Association and is Attachment #6.

A statement had been left for the Committee by Mr. Dennis Shockley, of the City of Kansas City, Kansas, and its Federal and State Affairs Governmental Committee. It states their support concerning pari-mutuel wagering. Attachment #7.

The Chairman said that would conclude statements from the proponents and introduced The Reverend Richard Taylor, of Kansans for Life at Its Best! Mr. Taylor made his oral presentation, and a copy of his written statement is Attachment #8.

Mr. Marc Rogers, of Kansans for Life at its Best!, an opponent of SCR5024 was next. He said that if the downtown merchant pays a 4% sales tax, and if the state should tax pari-mutuel wagering at just 3%, it would appear that a tax subsidy would be made for promotion of gambling.

The next opponent of the measure was Ms. Ann Gonnerman, of The National Society for the Protection of Animals. Her statement is Attachment #9.

Mr. Wendell Maddox, Jr., Regional Director, of The Humane Society of The United States, was the next conferee. Mr. Maddox spoke in opposition to the proposed legislation. His statement is Attachment #10.

Mrs. Margart Clark was introduced next. Mrs. Clark said that she was appearing as an individual who lives in Kansas, and has lived in Kansas and reared her children here, and who feels that to encourage gambling is not the way of life wanted by the citizens of Kansas. She works throughout the state with Baptist women. She said speaking as an individual, and from the statistics heard and seen today, she sees no reason why the state of Kansas should have legalized gambling.

James W. Sloan, Esq., was the next conferee. Mr. Sloan presented the Position of The Kansas Federation of Humane Societies in Opposition to Parimutuel Wagering. Attachment #11. \*

The Chairman thanked all the conferees for appearing. He said he also wanted to especially recognize the members of the Committee who had stayed overtime so that everyone could be heard.

The meeting was adjourned at 12:20 p.m.

\*Attachment #12 entitled "Breakdown!" was made possible for the Committee by The Humane Society of the United States.

3/6/86  
Attachment #1

TESTIMONY SUPPORTING 1985 HCR 5024

SENATOR FRANK GAINES

I APPEAR TODAY TO SUPPORT HCR 5024. IT IS DESIGNED TO ALLOW THE CITIZENS OF KANSAS TO VOTE WHETHER TO CHANGE OUR CONSTITUTION TO ALLOW PARI-MUTUEL WAGERING ON HORSE AND DOG RACING. IT IS IN MY CANDID JUDGMENT A RESOLUTION THE PEOPLE OF THIS STATE HAVE LONG SINCE EARNED THE RIGHT TO CONSIDER. FURTHER, IT IS PRACTICALLY IDENTICAL TO THE RESOLUTION THIS COMMITTEE APPROVED AND THE SENATE PASSED BY A VOTE OF 29 TO 11 LAST YEAR.

I WANT TO RELATE TO YOU WHAT MAKES THIS RESOLUTION, WHICH HAS PASSED THE HOUSE OF REPRESENTATIVES, SUCH AN IMPORTANT PROSPECT FOR THE FUTURE OF OUR STATE'S ECONOMY; PARTICULARLY IN THE DISTRICT I REPRESENT.

AS MANY OF YOU KNOW, EUREKA DOWNS IS A POPULAR NON PARI-MUTUEL HORSE TRACK. IT IS LOCATED IN EUREKA, A RELATIVELY SMALL COMMUNITY OF 2,500. THE RACE TRACK HAS A SIGNIFICANT IMPACT HOWEVER ON THE LOCAL ECONOMY. FOR EXAMPLE, ON RACE DAYS THE TOURISM RELATED BUSINESS EXPERIENCE AT LEAST A 20% JUMP IN RETAIL SALES. OTHER BUSINESSES SUCH AS CLOTHING AND GROCERY STORES EXPERIENCE ABOUT 10-15% INCREASE IN SALES. OF COURSE, THE RACE TRACK ITSELF PUMPS MONEY BACK INTO THE LOCAL ECONOMY THROUGH JOBS AND THE PURCHASE OF GOODS AND SERVICES.

THERE ARE MANY HORSE FARMS IN MY SENATE DISTRICT AND EACH CONTRIBUTES TO THE ECONOMY. FOR EXAMPLE, MR. AND MRS. R. K. TEICHGRAEBER OF EUREKA OWN AND OPERATE A BREEDING FARM AND TRAINING CENTER. THEY EMPLOY FIVE FAMILIES. THE EXPENSES PAID

LOCALLY TO OPERATE THE BREEDING FARM AND TRAINING CENTER PUMPS \$15,000 A MONTH INTO THE ECONOMY OF EUREKA AND GREENWOOD COUNTY.

WITH PARI-MUTUEL WAGERING IN KANSAS, THERE WILL BE MANY OPPORTUNITIES FOR FARMS LIKE THAT OF THE TEICHGRAEBERS TO SPRING UP ACROSS THE STATE, AND FOR EXISTING FARMS TO GET INTO SOME PHASE OF THE HORSE INDUSTRY EITHER FULL-TIME OR PART-TIME. THAT'S THE KIND OF ECONOMIC DEVELOPMENT PARI-MUTUEL WILL SPARK FOR KANSAS.

I REVIEW THESE ECONOMIC CONSIDERATIONS WITH YOU BRIEFLY NOT ONLY TO EMPHASIZE WHAT HCR 5024 CAN MEAN TO OUR ECONOMY BUT WHAT IT MEANS TO OUR FELLOW KANSANS: AN EFFECTIVE WAY TO LET US HELP OURSELVES AT A TIME WHEN EVEN A LITTLE INDUSTRY MAY VERY WELL MEAN A LOT TO US ALL.

BREEDING, RAISING AND RACING HORSES IS A KANSAS INDUSTRY WE CAN BE PROUD OF. LET US ENCOURAGE IT TO BLOSSOM. BY SENDING THIS RESOLUTION TO THE PEOPLE WE ARE DOING SOMETHING POSITIVE TO HELP. THE CITIZENS OF OKLAHOMA JUST A FEW YEARS AGO APPROVED PARI-MUTUEL HORSE RACING IN THEIR STATE AND THE SMALL TOWN OF SALISAW TURNED INTO A BOOM TOWN ALMOST OVER NIGHT. A HEALTHY PART OF THE LOCAL ECONOMY THERE HAS PROFITED FROM KANSANS. WE CAN DO THE SAME HERE.

WE IN THIS LEGISLATURE OWE OUR FELLOW CITIZENS AT LEAST THE OPPORTUNITY TO ADDRESS THIS QUESTION ONCE AND FOR ALL: LET THEM DECIDE WHETHER THEY WANT TO PURSUE THIS HEALTHY RECREATIONAL SPORT.

LET US JOIN HANDS WITH THE HOUSE AND SEND HCR 5024 WITHOUT FURTHER AMENDMENT TO THE PEOPLE. IT IS A CLEAN RESOLUTION AND

ONE THAT WE SHOULD ADOPT IN THE NAME OF ALL KANSANS. THEN WE CAN  
PUT THIS QUESTION BEHIND US, BUT WHERE IT HAS PROPERLY BELONGED  
FOR SOME TIME -- BEFORE THE PEOPLE.

3/6/86 Jw  
Attachment #2



Mr. Chairman and members of the Senate:

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 1986 Session, KPM strongly urges your favorable approval of 1985 HCR 5024. 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 insofar as concerns this professional sport.

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.

Sen. Fed. & State Affairs  
3/6/86 Attachment 2

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 HCR 5024 embodies three significant provisions to safeguard local interests.

A. The proposed resolution before you (1985 HCR 5024) 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: ie., 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 HCR 5024 also entails a specific type of pari-mutuel horseracing: 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 inquires from Kansas opined 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.

C. The resolution further provides a device to eliminate another area of potential concern: off-track betting. Some suggestion has been made that off-track betting raises the possibility of abusing a tightly regulated and controlled pari-mutuel wagering program. As Kansans interested in a healthy, prosperous recreational sport, we wish to eliminate any possible detractions from that goal which could arise if off-track betting were allowed. This resolution as presently drafted will effectively prevent any such activity.

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."

Respectfully submitted,

Jonathan P. Small



The following fundamentally positive considerations should be taken into account in assessing the relative merits of presenting this question to Kansas voters. It should be noted that these observations are made as an individual and that neither Kansas State University, nor the College of Veterinary Medicine has a position on the question of pari-mutuel wagering.

I. The fundamental economics of broodmare units are important to both agriculture and other areas of enterprise as follows:

a. For an investor to profit from horse breeding (racing sector) yearlings must sell for \$10,000 and up. Two yearlings should gross the purchase price of the mare; this means economically viable mare units average \$20,000 to \$25,000 and, with a weanling and yearling in the pipeline, have the following economic effect annually:

1. \$2,000 in feed and goods
  2. \$1,500 in insurance premium
  3. \$1,000 in sale nominations and commissions
  4. \$2,000 in breeding fee
  5. \$ 250 in veterinary fees
  6. \$1,500 in labor
  7. \$ 500 miscellaneous
- \$8,750

This has the same economic impact as approximately 40 commercial cows.

b. High quality broodmares have exceeded inflation over the past 30-40 years.

In 1955 the record average for a Quarter Horse sale was approximately \$1,300; in 1984 the average of the Super Select yearling sale was \$50,000 and in 1985 it was \$49,000. In 1985 the average of the four major (racing) yearling sales was \$9,500.

In 1940 the average of the Saratoga yearling Thoroughbred sale was \$3,000; in 1984, \$256,000.

While these figures represent the top of the industry they also set the trend.

- c. The depreciation and capital gains characteristics of the breeding and racing business are favorable to the retention of federally taxable dollars and their distribution throughout the Kansas economy. This has a powerful effect since federal income tax is many times higher than Kansas income tax.
- d. The same geologic and climatologic characteristics that make Kansas an ideal location for the cattle feeding industry are favorable to competitive equine production systems. These features include large areas of favorable soil conditions, a large supply of feed and forage including irrigated alfalfa and an adequate number of days above freezing (particularly in the southwest half) along with dry enough conditions to favor good management and training activities.

There is adequate freezing and thawing to minimize overwintering of parasites.

This activity is focusing more and more in Oklahoma as a result of pari-mutuel wagering and its effect on marketing outcomes.

- II. The cash outflow into New Mexico and contiguous states is an alarming problem. People going out of the state to buy, sell, and race horses or to attend the races spend (personal estimate) a bare minimum of \$20,000,000 per 100,000 people attending per year. A trend that can only be reversed with a high quality program instate. Quality is far more important than size.

- III. Based upon the Nebraska experience and the present Oklahoma City proposal, the state might expect \$5,000,000 to \$6,000,000 in share of handle; perhaps as much as \$8,000,000 (personal estimate). While a small percent (e.g., one percent) of this should be retained for research and development a substantial amount could be targeted at one or more specific areas of economic development.
- IV. Kansas is a major Greyhound producing state, and the headquarters of the National Greyhound Association are in Abilene. All of the dog racing activity is outside the state. A synergistic relationship between horse and dog racing has potential to minimize fixed costs, maximize handle share to the state, and give Kansas an edge over Oklahoma, Missouri, and Nebraska. The same areas of research and development are beneficial to both horse and dog racing.
- V. The research and development, and regulatory activity intrinsic to racing inevitably involves veterinary medicine. Growth in this area would have many peripheral benefits to veterinary medical service and research including comparative medical research in cardiopulmonary function, bone stress and metabolism, and muscle function. As an educator responsible for administration of academic programs, I find that projects with potential for synergistic interaction of funding, research, and service warrant careful attention.

3/6/86 J-1  
Attachment #4

TESTIMONY ON PARI-MUTUEL  
KANSAS SENATE  
MARCH 6, '86

Senate Committee Members, my name is Thayne Cozart from Parsons. I am publisher of FARM TALK weekly agricultural newspaper. I benefit from a healthy agricultural industry. I like horse races. To date in Kansas, I've not had the opportunity to combine my "benefit" and my "like."

This committee has the chance to change that and that's why I'm pleased to testify today on behalf of pari-mutuel wagering on horse races and what it can do for Kansas.

You know, there's been one spring crop on Kansas farms that's always been virtually ignored from an economic standpoint. I'm talking about the thousands of new-born foals that drop on Kansas soil every spring. Except for rare commercial instances, usually that new-born foal has represented a recreational interest. People in Kansas have raised horses primarily for fun--to pleasure ride, to show at halter, to compete at rodeos, to simply occupy a niche in their hearts to have a companion animal to love and care for.

And Kansans in the horse business for business purposes, unfortunately, usually have had to ply their profession and sell their products out of state.

Also, Kansans who only enjoy a recreational day at the track, who love to watch equine athletes compete and who like the challenge of selecting their choices and risking their wagers at the pari-mutuel window have also had to take their recreational dollars out of state.

Likewise, we are all familiar with the sums of money spent to make Kansas a tourist attraction--all to little avail. Horse racing is probably the best tourist attraction Kansas could have--with all the attendant benefits.

I'm sure by now this committee has heard and seen a great many statistics about the benefits of a thriving Horse Industry in Kansas. I'm not a statistician, so I won't add to that documentation. I am, however, a keen observer of the Kansas agricultural scene. So, the following observations are my thoughts about the benefits of a major Horse Industry to Kansas agriculture and the Kansas economy.

Every new foal born in Kansas represents new wealth--whether the foal is stillborn or whether it goes on to win the Triple Crown or the Eclipse Award for racing excellence. It not only represents a measure of new wealth that never existed before, it also represents an investment. There's always a lot of money invested in that foal before it's ever born. The annual cost of maintaining the mare, the stallion fee, medical costs, special feeds and supplements, travel expenses, plus a pro rata share of the farm's facilities.

Now, assuming the little colt or filly lives, the investment in its life just keeps increasing. It needs feed. It needs doctoring. It needs equipment. It has associated costs throughout its life.

But, if that young horse's owner decides it might have those magical qualities of a race horse--be it a Thoroughbred, a Quarter Horse, an Appaloosa, Paint or Arabian--that is a decisive turn of events as far as Kansas agriculture and the Kansas economy is concerned.

Now the die is cast for the expenditure of many more dollars in a much more diversified economic circle. A trainer is hired and he hires grooms, exercise riders, and others. In addition to the training fees, the cost of maintenance goes up dramatically as the equine athlete is conditioned for top performance. The horse is fed more expensive feed, medical and vet fees increase, special equipment is bought, travel expenses rise, high quality bedding is used. In short, what the horse needs, it gets--and seldom are expenses short-circuited.

When the horse and its thousands of track-mates finally arrive at Kansas' major track or tracks, again the expenses go up. Entry fees are paid. Jockeys are hired. Board bills are higher. Agents are hired.

A whole cadre of specialists are hired into all-new jobs. Track officials, photographers, outriders, administrators, hot walkers, valets, mutuel clerks, horse shoers, maintenance. security, concessionaires, and tote sheet hawkers.

Then another layer of new employment is added as the track operations and the track employees "spin off" into other jobs and services. It's all a process called the "trade turn factor" in economic circles. In agriculture in general, the "trade turn factor" is 3 to 5 dollars of income for each dollar of new wealth that's created (in the state of origin) and 5 to 7 dollars nationally. I've never heard a specific trade turn ratio for the Horse Industry alone, but I'm certain it wouldn't be less than for agriculture in general. And it all traces back to those new foals that are born every spring. The more we race horses in Kansas, the more foals will be born. It's that simple.

In closing today, I'd like to make two other observations about the Horse Industry. Horse lovers--even serious horse breeders--treat their charges in doting fashion--much as grandparents lavish attention and material things on their grandchildren. If you can afford it, you usually find a way to do it for them. The bottom line is that horses get a lot of money spent on them--and the State of Kansas will benefit in increased tax collections and increased economic activity with every new dollar spent.

The second observation is that horse breeders are a competitive lot. Like the horses they race, the competitive fire runs in their blood. The wealthy who will be attracted to Kansas not only compete to breed the fastest horses with the most stamina, they also compete to build the most appealing show places, to drive the most prestigious vans and trucks--in short to be conspicuous consumers. Drive from Louisville to Lexington, Kentucky. Check out the horse farms in Nebraska. Look on both sides of the Interstate from Oklahoma City to Dallas. You'll see what I'm talking about.

And yet, there will still be a valid and exciting role for the "little man", the amateur horse breeder who wants to put a horse on the track. There will be competition levels to accommodate him and his aspirations to breed that rare winner from undistinguished lineage.

In a properly formulated, properly managed legalized pari-mutuel wagering system, there's a welcome place for everyone. That's what Kansas and Kansas agriculture needs. Certainly, a vigorous Horse Industry is not a panacea for the economic ills of Kansas agriculture and the Kansas economy. But with agriculture in decline, the oil industry in a tailspin, the aviation industry stagnant, and recreation dollars leaving the state for other horse tracks, it seems obvious to me that every little bit helps.

A vigorous Horse Industry will help measurably. We have the natural resources. The horse breeding expertise exists. The genetic pool for race horses, particularly in Quarter Horse-type sprint races, is already here. Polls show Kansans want to vote on pari-mutuel and will pass it if allowed to vote.

Let's vote. Let's build. Let's hire a bugler to bring the horses onto Kansas' first pari-mutuel track. It's profitable. It's fun. Let's take full advantage of this natural opportunity.

Thank you for allowing me to testify.

3/6/86  
Attachment #5

# 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

HCR 5024

March 6, 1986

### KANSAS CHAMBER OF COMMERCE AND INDUSTRY

Testimony Before the

Senate Federal and State Affairs Committee

by

Jim Edwards  
Director, Public Affairs

Mr. Chairman and members of the committee. I am Jim Edwards, Director of Public Affairs for the Kansas Chamber of Commerce and Industry and I appear before you today in support of HCR 5024.

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 which includes 200 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. KCCI receives no government funding.

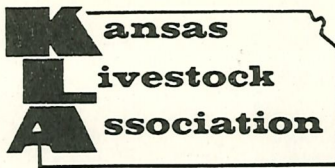
The KCCI Board of Directors establishes policies through the work of hundreds of the organization's members who make up its various committees. These policies are the guiding principles of the organization and translate into views such as those expressed here.

The issue of pari-mutuel wagering is not new to our organization, Kansans, or the legislature. It is an issue which has surfaced annually and because of actions, or lack of actions by the legislature, has not become a reality.



Our organization, and seemingly Kansans as a whole, maintain that the time has come for this issue to be placed in front of the voters. In over 40 statewide meetings that KCCI held during the past 2 years, over 75% of our members indicated support for the issue. Likewise, in public polls commissioned during the last two years over 70% responded with affirmative support for the issue. While the reasons for supporting the issue vary, the indication of support does not. It is evident that Kansans want to realize the economic benefits to the state generated from pari-mutuel and they want to have pari-mutuel wagering as an optional form of entertainment.

With the statewide support shown, I would strongly urge you to pass HCR 5024 from this committee with a favorable vote and ensure that it not be an annual issue in the future.



3/6/86  
Attachment #6

2044 Fillmore • Topeka, Kansas 66604 • Telephone: 913/232-9358  
Owns and Publishes The Kansas STOCKMAN magazine and KLA News & Market Report newsletter.

STATEMENT OF THE  
KANSAS LIVESTOCK ASSOCIATION  
TO THE  
SENATE FEDERAL AND STATE AFFAIRS COMMITTEE  
SEN. ED REILLY, CHAIRMAN  
IN SUPPORT OF  
HCR 5024  
MARCH 6, 1986  
PRESENTED BY  
RICH MCKEE  
EXECUTIVE SECRETARY, FEEDLOT DIVISION

Mr. Chairman and members of the committee, I'm Rich McKee with the Kansas Livestock Association (KLA) and I'm here to voice our support of HCR 5024. KLA is a voluntary statewide organization made up of over 9,500 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 partimutuel 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 HCR 5024 for full Senate consideration.

AMENDMENT #2:

Support legislation to allow the voters of the State of Kansas to vote on a Constitutional Amendment to authorize the Legislature to regulate, license and tax non-profit, local option, pari-mutuel wagering with some portion of the tax revenues being applied to property tax relief through city/county revenue sharing.

OVERVIEW:

Many states are turning to alternative revenue sources. With the need for additional monies for education illustrated this past session and talk of tax increases, allowing voters the opportunity to authorize this revenue source makes sense. As a major quarterhorse and greyhound dog producing state, there has been interest for years in such a plan. Voters in all four surrounding states have authorized this wagering and all but Missouri have started operation (Missouri voters approved the measure in November, 1984; however, the referendum content is fatally flawed). A statewide poll taken in the Fall of 1985 showed overwhelming support by Kansans for placing this Amendment on the ballot. Further, the Kansas City Kansan supported a ballot attempt in an editorial dated 11-12-85.

Senate Concurrent Resolution 1606 was introduced during the 1985 Legislative Session allowing horse and dog racing. It received the necessary two-thirds vote in the Senate, but failed by ten votes to get the necessary two-thirds vote in the House. Other resolutions technically active at the present are H 5022, H 5024 and S 1614 (which only addresses dog racing).

COMMENTS:

Urge adoption of S 1606 or equivalent.

3/6/86  
Attachment #8 *Ju*

Thursday, March 6, 1986 11:00 a.m.  
Hearing on parimutuel gambling  
Senate Federal & State Affairs Committee

Rev. Richard Taylor  
KANSANS FOR LIFE AT ITS BEST!

Governor Bob Graham of Florida opposes casino gambling and is urging Floridians not to make their state "a place that has sold its soul to the roulette wheel."

Kansas Chambers of Commerce want Kansas to sell its soul for 30 million pieces of silver from parimutuel and lottery gambling. A 1/6th cent sales tax will produce more than \$30 million and people, horses, and dogs will not be hurt by commercial gambling.

During my early sessions in this special appointment by my Bishop, the House would approve parimutuel and lottery gambling, but Senator Vince Moore of Wichita, corporate secretary of Cessna, would lead the attack on the Senate floor and kill those measures that hurt business and industry.

Among other documents, he used the DESKBOOK ON ORGANIZED CRIME by the Chamber of Commerce of the United States. Based on these two pages, here is the conclusion you must draw today.

The in-plant bookie was estimated to be a problem in three out of four companies at that time. As a leading promoter of parimutuel and lottery gambling, Chambers of Commerce want to make Kansas the bookie for every plant and business establishment today.

According to these two pages, in their demand that lawmakers approve commercial gambling, Kansas Chambers of Commerce want to develop more inefficient and accident-prone employees. They want more dishonest employees and they are dedicated to the economic development of prosperous loan sharks. These two pages make the KCCI promoters of stealing and embezzling.

Legal gambling encourages non-gamblers to become gamblers. These new gamblers learn you win more with the off track illegal bookie because take out is less, and if you win the IRS will never know about it.

In their frenzied effort to bring more legal gambling to Kansas, Chambers of Commerce are now the best friends of organized crime.

The motive for shoplifting and the motive for betting at the races are the same, get something without earning it. The U.S. Chamber of Commerce said that philosophy was bad for business and industry.

Kansas Chambers of Commerce now claim gambling is good for business and industry. Is our economic development problem due in part to poor leadership?

Who are the best friends of Kansas business and industry today? Lawmakers who refuse to approve commercial gambling, lawmakers who vote NO on parimutuel, lawmakers like former Senator Vince Moore of Cessna.

## GAMBLING – IN THE PLANT AND ELSEWHERE

### *Description of the Threat*

Regardless of the ethical tag attached to gambling, the economic effect on the firm where it takes place is bad news. This is especially true where management blithely assumes that in-plant gambling does not exist or writes it off as a harmless nickle-and-dime pastime. But is the baseball pool, for example, just a once-a-year phenomenon, or is it merely a single facet of a pervasive and deleterious condition throughout the business?

In-plant gambling is a common problem, Internal Revenue Service officials report. A source within a private investigation company estimates that there is a bookie in three out of four companies employing fifty or more. Among the more prevalent forms of in-plant gambling are the following:

**\*Bookmaking**— the solicitation and acceptance of bets on the outcome of a sporting event.

**\*Numbers** — a form of lottery where bettors select a number and winners are determined by a drawing, published stock and bond quotations, or other means, sometimes referred to as "policy."

**\*Treasury balance** — prenumbered tickets are sold to bettors. The winning number is the one coinciding with the U.S. Treasury balance, as published weekly in the financial sections of many newspapers.

Gambling adversely affects business on two levels. On the first, these are the hazards:

**\*Inefficient employees.** Workers will be prone to waste time by visiting or roaming about in search of a racing form, the latest sporting news, the in-plant bet collector.

**\*Accident-prone employees.** When a gambler becomes a loser — and in the long run they all do — he becomes worried, distracted, perhaps tense as debts mount.

**\*Potentially dishonest employees.** As losses mount, the employee may resort to a loan shark to bail himself out. More often than not, this merely compounds his problem. He becomes subjected to such intense loan-shark pressure that he begins to steal or embezzle from the company in a last ditch effort to get out from under.

From "DESKBOOK ON ORGANIZED CRIME"  
(Reprinted by permission of the Chamber  
of Commerce of The United States)

31

**\*Public relations problems.** If gambling in the business becomes widespread, the company's reputation is bound to suffer as the word spreads throughout the community.

The second level of danger is present when organized crime takes interest and assigns a bookie to the premises. The preceding hazards are escalated. Even worse, you are unnecessarily advertising yourself to organized crime. The organized underworld's gambling organization can also function as an efficient information-gathering system. The spotlight a company focuses upon itself through tolerance of in-plant gambling may inspire racketeers to consider hijacking your trucks, stealing your supplies and equipment, perpetrating a planned bankruptcy, "suggesting" you purchase supplies from mob-run outfits, creating labor trouble and then recommending you add one of their "labor consultants" to your payroll.

Off-premises gambling — especially by key salaried or hourly personnel — may also lead to serious consequences for the business. A "real swinger" among your employees could easily find his leisure-time gambling debts turned over to a loan shark for collection. In lieu of cash, the loan shark may exact payment in a manner quite costly to your firm. According to a state investigator, every so-called legal casino in the western hemisphere is linked to the organized underworld in some manner. More than one gambler has learned to his dismay that his casino debts have been turned over to a loan shark for collection.

Perhaps the biggest threat of all from tolerating gambling is that by so doing business management is contributing to the Cosa Nostra's largest source of income; business management is helping its most ruthless competitor.

### *Symptoms of Gambling*

A number of external and internal signs are possible tip-offs to gambling activity, such as:

1. Routine appearance of a nonemployee on the premises.
2. Lengthy use of the pay telephone by the same individual at a specified time each day.
3. Frequent calls from wives complaining that workers are not taking home all their wages.
4. Paychecks of several employees endorsed over to the same person (bookie or loan shark?).

32

**Kansas Workers Rank Among the Most  
Productive in the Nation!**

Kansas workers enjoy freedom from legalized gambling and all the problems listed here. Let every Chamber of Commerce be thankful for our advantages and work to keep it this way.

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 totell 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/<sup>or store</sup> 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 pla ying 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 takenover 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 changes 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.

# 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,

A handwritten signature in cursive script that reads "Howard L. Peterson".

Howard L. Peterson  
State Senator

HLP/ap  
cc: Jim Hamilton

## Testimony of J. Elwood Slover

Re: Parimutual Amendment

My name is J. Elwood Slover and I am a retired professor of Law from Washburn University. My purpose in being here today is to discuss with you the procedure under the Constitution of Kansas for amending the Constitution by resolution of the legislature. I should hasten to tell you that one of the courses I taught at Washburn Law School was the course in legislation.

The Constitution provides as follows: "Propositions for amendment of this Constitution may be made by concurrent resolution originating in either house of the legislature, and if two-thirds of all members elected (or appointed) and qualified of each house shall approve such resolution (emphasis added) the Secretary of State shall cause such resolution (emphasis added) to be published in the manner provided by law. At the next election for representatives or a special election called by concurrent resolution of the legislature for the purpose of submitting constitutional propositions, such proposition to amend the Constitution (emphasis added) shall be submitted both by title and by the amendment as a whole to the electors for their approval or rejection."

The first thing to be noted, and that explains why I added emphasis to certain language of the Constitution, is that the resolution you will be voting upon is not a simple resolution to let the voters decide whether they want parimutual in Kansas. The resolution will be one carrying the very language of the proposed constitutional amendment and when you vote upon the resolution you will be recommending or rejecting that constitutional change. In other words, a positive vote on the resolution by you will be a vote saying, "I approve of this constitutional change and recommend it to my constituents."

I am told that those favoring parimutual betting are falsely stating to you that your positive vote is to be taken only as your willingness to let the voters decide. I submit, however, that you have a weighty role in the matter of constitutional changes in Kansas. Look at it this way. What is the more weightier matter -- a statute enacted by a bill or an amendment of the state constitution? If you enact legislation which you later determine not to be in the best interests of Kansas you can always correct your mistake in the next session of the legislature. If you resolve to amend the constitution and the voters approve, it is not an easy matter to return to the law as it was before the amendment was made. Since this is such a weighty matter surely you should give it no less attention than you would a bill. That includes not only holding hearings and taking testimony in committee but voting your conscience and best judgment on whether the amendment would be good for Kansas.

Justice Brewer in an old case before the Kansas Supreme Court (The Prohibitory Amendment Cases 24 Kansas 711) capsulized my interpretation of the Constitution in this manner. He said that the amending process through concurrent resolution bears great similarity to the process by which a committee of the legislature brings a bill from committee to the whole body of the legislature. He said, "It presents, it recommends but it does not decide." (emphasis added) In other words, a bill ordinarily doesn't get onto the floor of the legislative body unless, after thorough investigation the majority of the committee favor the passage of the bill.

As I mentioned earlier, those favoring parimutual are now saying, "Your positive vote only indicates your willingness for the people to decide." What do you suppose they will be saying come November if the proposition is on the ballot? They will surely tell the voters that you gave this matter the weighty consideration that it deserved and in your wisdom determined it was good for Kansas. They will then urge the voters not to go against what you so carefully considered as was your duty under the Constitution. If I were in your shoes, I would be embarrassed to admit that I didn't give serious consideration and vote my best judgment and conscience on such a weighty matter.

I hope you will recall your oath to uphold the Constitution of Kansas and give this matter the consideration it so clearly deserves. If you think parimutual is good for Kansas then it is your constitutional duty to submit the matter for vote of the people. If you do not think it is good for Kansas, your oath of office demands that you vote against a resolution submitting a proposed amendment for vote of the people.



Ann Gonnerman 3/6/86  
Attachment #9 *EW*

TESTIMONY BEFORE THE SENATE FEDERAL AND STATE AFFAIRS  
COMMITTEE OF THE STATE OF KANSAS

Senator Reilly, Members of the Committee, and  
Friends:

The National Society for the Protection of Animals is opposed to legalizing betting on greyhounds and horses. Tuesday we publicly introduced a pet ex-track greyhound, a pretty and gentle creature named Clover, who was rescued from a pound in Arizona, to prove our point. We believe that the dog-loving public would be against dog racing if they were made aware of the awesome numbers of dogs bred and destroyed so that these races can be held.

Last year the National Greyhound Association registered over 27,000 greyhounds. Estimates of how many of the greyhounds born in a year will actually pass their qualifying races and start racing careers vary from 20 to 50%. The rest are discarded one way or another. Most are killed; some go directly to medical reseach or for coursing or coyote hunting. A very few become pets. Many more are discarded each racing year, for injuries or for not being fast enough. Winning females and some males become breeding stock.

The injuries and stress suffered by greyhounds because of racing conditions, frequency, care and housing are another major issue about which we are concerned.

A sharp contrast to the more than 27,000 registered by NGA last year are the less than 300 registered by the American Kennel Club utilized for show and pet homes. This low figure reflects the lack of available homes for a breed as specialized as greyhounds.

This is an animal control issue also. Kansas is ill equipped with few animal shelters able to handle the influx of greyhounds which such tracks would bring to their communities. Some animal shelters near existing tracks report killing a thousand greyhounds a year. Most of these are brought in by the track people. The dogs which are given away to be pets are also a problem as most families are not able to help these highly specialized animals become pets. They have a tendency to escape and can do great damage chasing livestock and game while roaming. Many are killed by cars.

The public also deserves to be fully and truthfully informed about the methods used to train greyhounds. They would be outraged if they realized that rabbits, hares and chickens also suffered and died just so a small portion of the public

could enjoy themselves betting on greyhounds. State racing commissions in other states which allow paramutuel betting on horses and dogs have shown little interest in providing adequate funds for enforcement of anti-cruelty regulations.

The NSPA is particularly concerned that any horse or dog-racing bill contain strict provisions and generous funding for enforcement of all kinds. This is for the protection of the betting public as well as for the welfare of the horses and dogs.

States usually underestimate the amount of money that needs to be taken from the total amount wagered in order to run proper tracks, police the horse and dog industries, and provide high enough purses so that even the losing kennels and stables can provide adequate and humane care for their animals. Only after these are taken care of should the state's revenue be taken.

The National Society for the Protection of Animals

The National Society for the Protection of Animals

421 East Meyer Boulevard

Kansas City, Missouri 64131 (816) 523-7477



Midwest Regional Office  
Argyle Building  
306 East 12th Street  
Kansas City, Missouri 64106  
(816) 474-0888

3/6/86  
Attachment #10

March 7, 1986

**OFFICERS**

Coleman Burke  
*Chairman of the Board*

K. William Wiseman  
*Vice Chairman*

Dr. Amy Freeman Lee  
*Secretary*

John A. Hoyt  
*President*

Paul G. Irwin  
*Vice President/Treasurer*

Murdaugh Stuart Madden  
*Vice President/  
General Counsel*

Patrick B. Parkes  
*Vice President/Field Services*

Patricia Forkan  
*Vice President/Program  
and Communications*

Dr. John W. Grandy  
*Vice President/  
Wildlife and Environment*

Phyllis Wright  
*Vice President/  
Companion Animals*

Dr. Michael W. Fox  
*Scientific Director*

**DIRECTORS**

Samuel A. Bowman  
Dr. Carol Browning  
Coleman Burke  
Jack Conlon  
Irene Evans  
Anna Fesmire  
Regina B. Frankenberg  
Harold H. Gardiner  
Alice R. Garey  
Gisela H. Karlan  
William Kerber  
Dr. Amy Freeman Lee  
Jack W. Lydman  
Virginia Lynch  
Cherie Mason  
John W. Mettler, III  
John G. Mosher  
Susan Pepperdine  
O.J. Ramsey  
Marilyn G. Seyler  
Everett Smith, Jr.  
Brook Speidel  
Robert F. Welborn  
K. William Wiseman

**HONORARY DIRECTORS**

Aida Flemming  
Virginia Milliken  
Andrew Wyeth

Senator Edward F. Reilly, Jr.  
Chairman and other members of  
the Federal and State Affairs Committee  
The Kansas State Senate  
Capitol Building  
Topeka, Ks. 66612

Dear Senators,

Thank you for allowing me the opportunity to testify  
before your committee.

I would like to clear up some mistakes I made in my  
written and oral testimony. Please accept the  
following corrections:

1. I made reference to the local option being removed  
from HRC NO. 5024 in paragraph #9. This paragraph has  
been corrected.

2. There was an attached article on community  
problems created by dog racing in Dubuque, Ia.. I  
referred to information on Des Moines, Ia.. (Please  
read this article as it contains important  
information because it not only covers community  
problems, it contain valuable information on  
revenues.)

3. Paragraph #6 addition of sentence #2.

4. Paragraph #7 addition of sentence #3.

Thank you for allowing me the opportunity to correct  
my errors. The errors have also been corrected in my  
written testimony. Please use my revised testimony  
for your official records.

Sen. Fed. & State Affairs  
3/6/86 Attachment 10

National Headquarters:

The Humane Society  
of the United States  
2100 L Street, NW  
Washington, DC 20037

Again thanks, and may God be with you when you vote  
on this extremely important legislation.

Sincerely,

*Wendell E. Maddox, Jr.*

Wendell E. Maddox, Jr.  
Midwest Regional Director  
The Humane Society of the U.S.  
306 E. 12th St. S-632  
Kansas City, Mo. 64106  
(816) 474-0888

# The Kansas City Times

A Capital Cities/ABC, Inc., Newspaper

JAMES H. HALE    MICHAEL E. WALLER    JAMES W. SCOTT  
Publisher and    Editor and    Editor,  
Chairman of the Board    Vice-President    Editorial Page

MEMBER OF THE ASSOCIATED PRESS

The Associated Press exclusively is entitled to use for  
republication all local news published  
herein as well as all AP dispatches  
(Copyright, The Kansas City Star Co., 1986)

Vol. 118

Friday, March 7, 1986

No. 155

## Backward on Dog Racing

As expected, the Senate has given final approval to dog racing in Missouri, although that controversial plan was sneaked in the back door and was never accorded even a public hearing in committee. What the voters think about all this is anyone's guess. There is not a shred of evidence to go on — either way.

Some years ago the Senate prided itself on cleaning up proposals that had been passed by the House either carelessly or on a wave of emotion. In more recent years, the pattern has shifted the other way. Dog racing is the latest example and it is a glaring one.

Here's what happened. After closer inspection, it turned out the constitutional amendment authorizing pari-mutuel gambling on the ponies was seriously flawed. That's often the case when issues, prepared by well-meaning but not necessarily fully informed amateurs, go on the ballot by initiative petition.

The conventional thinking is that two major changes must be made if Missouri is ever to have quality horse racing. As things stand the voters in any county could change their minds after a track was in operation. Sensible investors would not put up millions with that kind of cloud hanging over their heads.

The other change would trim the state's minimum share of the proceeds from 6 percent to 1 percent. Experience around the country suggests the original cut to Missouri, ranging from 6 to 12 percent, was so high there would not be sufficient revenue left to provide the prizes required to attract big-time racing.

Instead of approving those changes and moving on to more important business, President Pro Tem John Scott, to everyone's

surprise, proposed adding dogs to the package. Initially, the idea was rejected. Then politics took over. Gambling on dogs has now become priority business with a majority of the Senate.

Clearly the dogs are a separate issue and it is up to the House to delete this silly change. About 60 percent of the voters approved gambling on horses. They are entitled to another crack at an amendment that will work. Cluttering it with other state-sponsored gambling schemes could be a good way to kill the whole thing at the polls. We doubt that is what Sen. Scott had in mind.

# Supervisor upset over track profits

## He says city, county are slighted

By David Shaffer  
of the Telegraph Herald

Dubuque and Dubuque County aren't getting their fair share of profits from the Dubuque Greyhound Park, says Supervisor Bill Bahl.

Bahl wants the state to give up part of its share and give it to the city and county.

Meanwhile, in Cedar Rapids, Iowa, a group of developers said they want to ask city residents to help finance a horse racing track there.

Bahl said the state is getting most of the available money while Dubuque has to bear most of the expenses.

"It's pretty nice for the state to cream off a couple of million and we get \$200,000," said Bahl, speaking at a Wednesday meeting of the Area Council of Governments. Bahl said he wants the city and the county to each get 1 percent of the profits, rather than the 0.5 percent state law now provides.

"It reminds me of the liquor tax," Bahl said. The money was shared evenly, but Dubuque had a lot of heavy drinkers and more than its share of alcohol-related social problems. The same is true with the track, Bahl said.

"We end up with those who are hooked on gambling," he said. "We end up with the social problem and the money is all gone."

"It seems like a lot of the people who worked at the dog track now are coming in for general relief. It's really not fair when you have that amount of money being drained out of our community."

Bahl said he took an informal poll at the meeting and most of those present supported the idea.

He said he doesn't know if his proposal will succeed, but that he hopes local legislators will push the idea in Des Moines.

Terry Harrmann, president of the Dubuque Racing Association, which runs the track, declined to comment on Bahl's proposal.

In Cedar Rapids, backers of a horse racing track said they want to take their appeal to the people.

Von Elbert, whose fund-raising drive for the proposed \$30 million track has stalled, said Cedar Rapids voters will be asked to approve general obligation bonds to fund the track.

He said there have been preliminary discussions with city officials about arranging a referendum. Details of the bond issue have not been worked out, Elbert said.

The proposal is similar to one approved by Dubuque residents that enabled the city to build the

"The state creams off a couple of million and we get \$200,000. It seems like a lot of the people who worked at the dog track now are coming in for general relief. It's really not fair when you have that amount of money being drained out of our community."

—Bill Bahl

state's first pari-mutuel dog track, which showed a profit this fall after its first racing season. But since general obligation bonds are backed by taxes, Cedar Rapids residents are responsible if the proposed track fails.

Bill Masterson, manager of the proposed thoroughbred track in Altoona near Des Moines, called the Cedar Rapids development a "desperate move."

The Altoona track also has faced difficulties finding investors and backers complain the presence of a license for a Cedar Rapids track hampers their efforts. Masterson said a Cedar Rapids referendum will merely prolong the issue.

Harrmann said the public won't want to buy into a losing situation.

"If you're going to go with general obligation bonds, I think you're going to have to be able to sell to the general public that it can be profitable," Harrmann said.

"I don't believe there is a reputable consulting firm out there that would take a look at having pari-mutuel facilities in Dubuque, Waterloo and Cedar Rapids and say they would not be bathed in red ink," Harrmann said. You can't have that many pari-mutuel facilities in the limited population area we have and not lose money."

That might be why the Cedar Rapids group is moving to consider general obligation bonds, Harrmann said.

"I think that's exactly why they couldn't get private funding, because private investors work on good strong business sense rather than emotion."

United Press International contributed to this story.

Telegraph Herald  
Dubuque, Iowa

Jun 9, 1986



# F A C T S H E E T



## DOG RACING

### 1. WHY WOULD ANYONE OBJECT TO ORGANIZED DOG RACING?

Because dog racing results in the unjustified exploitation and subsequent abuse of thousands of animals every year. The animals abused are not only the dogs which are treated merely as "racing machines," but also the untold number of innocent animals used as training bait for the racing greyhounds.

### 2. WHAT KIND OF ABUSES DO THE RACING DOGS ENCOUNTER?

One of the most serious abuses is the countless number of dogs that are produced only to be destroyed. The majority of the greyhounds raised for racing each year do not exhibit enough racing potential to be successful at the race track and over 50% are killed before they even reach the tracks. Very few live to the age of four since even dogs that race successfully are destroyed to save feed costs when they stop earning money. In effect, the dogs literally "run for their lives."

Because so many dogs have to be killed (approximately 30,000-50,000 per year), unprofessional and often inhumane methods are used to dispense of the dogs to save costs, such as having them shot, abandoned, or sent to be used in research. In addition, racing greyhounds are subject to a plethora of painful racing injuries which they must endure during their entire career.

### 3. ARE DOGS THE ONLY ANIMALS ABUSED?

No. In order to encourage the dogs to race after mechanical lures used on the racetrack, most dogs are trained by having them chase "live" lures. The dogs are allowed to catch up with the live bait and rip the small animals to pieces in order to develop a lust for blood. Over 90% of greyhound trainers believe the use of live lures is necessary to teach their dogs to chase the mechanical lure during a race. Rabbits are the most commonly used "live" bait, but investigators have discovered that chickens, guinea pigs, and even kittens have been used on occasion. This training method results in approximately 100,000 animals per year suffering the trauma of being chased and caught by the dogs. They are often used repeatedly until ripped apart by the dogs or else tossed onto a pile to die.

### 4. WHY WOULD A STATE LEGALIZE SUCH CRUELTY?

Because many perceive organized racing as a way to raise needed revenue, they are turning toward racing during this time of budgetary crisis, initially unaware of the cruelty involved.

### 5. COULD DOG RACING EVER BE HUMANE?

Ideally, it is possible to minimize the cruelties in dog racing with the first step towards this goal being the training of dogs with artificial lures instead of live animals. Unfortunately, from a practical standpoint, this change in training method seems unlikely since greyhound trainers believe it is imperative for racing dogs to develop a lust for blood to be successful racers. They adamantly refuse to use artificial lures even though it has been proven that dogs trained with artificial lures race just as well as dogs trained with live bait.

Dogs that have to be killed because they are no longer useful for racing could be euthanized humanely by qualified personnel if the owners were willing to spend the money for such service. However, the sport will always require that dogs be bred in large quantities in the hopes of producing a few good runners. And since few dogs

can find good homes after a racing career, their lives will be short and usually unpleasant due to their exploitation by owners and trainers in order to make a "buck." This hardly justifies the sport's existence.

**6. WHO OVERSEES THE RACING INDUSTRY?**

Racing commissions exist in each state to regulate the industry. However, the main duty and function of state racing commissions is to generate revenue for the state. Therefore, if a conflict of interest exists between revenues and the welfare of animals, the animals are always the losers since the state has a vested interest in making sure the industry not only survives but prospers, regardless of animal suffering.

**7. IS IT POSSIBLE FOR LEGISLATION THAT SEEKS TO LEGALIZE DOG RACING TO BE WRITTEN IN SUCH A WAY AS TO ELIMINATE THE CRUELTY INVOLVED IN THE SPORT?**

No. While one state attempted to do so, it failed in its objective because the majority of greyhound racing dogs are trained outside of the states in which they race. It serves little purpose to prohibit the use of live lures by state law if the dogs are trained in other states, such as Texas or Kansas, and then brought into your state to race. Similarly, any laws requiring humane euthanasia for racing greyhounds at the racetrack are of no help to the majority of dogs that don't make it to the track and are disposed of in the state where they were bred and trained. Even the dogs at the racetrack are usually removed from the track grounds for destruction purposes and thus avoid any regulations pertaining to euthanasia established by state racing commissions.

**8. ISN'T THE REVENUE RAISED FOR THE STATE SUFFICIENT JUSTIFICATION FOR THE CRUELTY?**

The amount of money generated by greyhound racing towards the general state tax fund might appear substantial on surface, but compared to the states' total budget, this amount is infinitesimal. The average amount of greyhound racing revenue reported by the states is less than three-tenths of one percent of the states' budget. The state of Florida, which has 17 of the 45 pari-mutuel greyhound racing tracks in the country, generates only .7% of its revenue from dog racing. It should also be emphasized that pari-mutuel tax revenue is a regressive form of taxation and is merely a redistribution of the sources of a state's income, since money not spent at the track would probably be spent on consumable goods upon which there is a state sales tax. The money spent on other consumable goods or services would also generate jobs; thus, pari-mutuel racing contributes little to the economic welfare of a community. And, of course, no amount of money is ever sufficient justification for cruelty to animals.

**9. SHOULD ALL DOG RACING BE ABOLISHED?**

At the present time, all dog racing has inherent cruelties which should not be condoned. Dog racing as it exists today is nothing other than a "blood sport" since greyhounds in training are allowed to attack and viciously kill other animals. For these reasons, dog racing should not be tolerated in a civilized society.

**15 STATES WHERE DOG RACING IS ALREADY LEGAL:**

Alabama	Florida	Oregon
Arizona	Iowa	Rhode Island
Arkansas	Massachusetts	South Dakota
Colorado	Nevada	Vermont
Connecticut	New Hampshire	West Virginia

# F A C T S H E E T



## HORSE RACING

### 1. WHY WOULD ANYONE OBJECT TO ORGANIZED HORSE RACING?

Under ideal conditions horse racing could be a wonderful sport both for horse and human. Unfortunately pari-mutuel (legalized gambling) horse racing as currently conducted in this country is a cruel and inhumane sport which exploits horses to benefit horse owners, trainers, track veterinarians and racetrack operators; not to mention the states which condone this abuse to add to the states' treasuries. This exploitation results in the tragic death of thousands of racehorses every year and the abuse of tens of thousands of other horses which are forced to participate in this sport.

### 2. WHAT TYPES OF ABUSES OCCUR TO THE HORSES?

(1) Two-Year-Old Racing - Most horses begin their racing careers at two years of age before they are mature and before their musculo-skeletal system is fully developed to withstand the punishment of racing, thus resulting in many needless injuries. No one would think of placing a twelve-year-old boy in a professional football game, but racehorse owners who desperately want to make as much money on their investment in as short a time as possible think nothing of placing a young immature horse in competition for which it is not physically prepared. The American Association of Equine Practitioners lists two-year-old racing as one of the major causes of injuries to racehorses.

(2) Excessive Racing - Horses are raced as frequently as possible in order to earn purses for their owners and trainers, regardless of the physical condition of the animals and the cruelty involved in racing a fatigued animal.

(3) Faulty Race Track Surfaces - Many track surfaces are kept intentionally hard to provide fast race times. However, these hard surfaces result in extreme concussion to the horses' limbs, causing lameness problems for many horses.

(4) Abuse of Drugs - Painkilling drugs are often used to mask a horse's pain, thus enabling the horse to run full out on an injured leg. This practice nearly always aggravates injuries, and often an injured leg shatters under the stress of racing, causing dangerous spills in which horses are crippled and must be destroyed. Even less fortunate than the horses that are humanely destroyed are the horses that are less severely injured and are forced through the use of drugs to continue their racing careers in spite of chronic and painful injuries.

(5) Other Abuses - Racehorses are frequently forced to race in inclement weather and in the extremes of heat and cold since cancellation of race dates in the dead of winter or on blistering summer days results in loss of revenue.

As a result of these abuses, veterinarians caring for racehorses estimate that 60-90% of their charges are significantly lame and a 1983 report states that "80% of racehorses have some kind of injury: joint damage and joint disease are common."

### 3. HOW MANY STATES ALLOW HORSE RACING?

Thirty-six states currently allow horse racing--although six states do not actually conduct racing at this time. Instead, some allow betting on horse racing which takes place in other states.

### 4. ARE YOU SURE THERE IS A PROBLEM WITH DRUGS IN RACING?

Yes. In fact, legislation addressing this problem have been pending before the U.S. Congress since 1980 and several hearings have been held. The television show "60 Minutes" reported on the widespread problems in 1979 and UPI released a series of articles describing the many problems in 1981. And as recently as May, 1984, NBC "Nightly News" exposed the scandalous and pervasive abuse of drugs inflicted upon racehorses. Mr. Joseph Kellman, a member of the Illinois Racing Board announced his resignation last year because of his frustration over the Board's inability to end drug abuse on the racetrack.

**5. ISN'T RACING A GOOD FORM OF ENTERTAINMENT FOR PEOPLE WHO LIKE TO BET?**

One of the reasons that Congress is so concerned about drugging of racehorses is because the outcome of the races can be so easily "fixed." In other words, the average citizen betting on a race can be cheated. This is unfair to the people who bet their hard-earned money on horses expecting to have a fair race run.

**6. ISN'T THE REVENUE RAISED FROM RACING ENOUGH TO JUSTIFY ANY CRUELTY?**

The amount of money generated by horse racing towards the general state tax fund might appear substantial on surface, but compared to the states' total budget, this amount is infinitesimal. The average amount of racing revenue reported by the states is less than three-tenths of one percent of the states' total budget. In addition, it is a regressive form of taxation and is merely a redistribution of a state's income, since money not spent at the track would probably be spent on consumable goods upon which there is a state sales tax. The money spent on other consumable goods or services would also generate jobs and thus pari-mutuel racing contributes little to the economic And, of course, no amount of money is ever sufficient justification for cruelty to animals.

**7. DON'T STATE RACING COMMISSIONS GUARD AGAINST PROBLEMS?**

States have only legalized racing in order to reap financial gains. Therefore, their only goal is to make money. The states share with the race tracks and the horsemen in a percentage of all money wagered at the race tracks. This causes a conflict of interest since the states are partners in a business which they are supposed to regulate. As a result, racing commissions are more concerned about money than the integrity of the sport or the welfare of the horses and it is not uncommon for racing commissions to sacrifice the horses' welfare to benefit the state's coffers.

**8. COULD HORSE RACING EVER BE HUMANE?**

Ideally, horse racing could be humane if conducted properly. However, as long as horse racing is a business and not a "sport," money will take precedence over the welfare of the horse. Because of the large amounts of money wagered at race tracks and the resulting potential for huge profits, it does not appear likely that pari-mutuel horse racing will ever become a humane sport. Gambling, quick profits, or tax shelters are the main incentives attracting participants into horse racing. Consequently, the horse is viewed not as a living feeling creature, but merely as a tool for making money.

**9. HORSES ARE VALUABLE ANIMALS. WOULD THEIR OWNERS ALLOW THEM TO BE MISTREATED?**

Horses are only valuable to their owners if they are racing and earning purse money. If a horse is tired, ill, or injured, owners are reluctant to rest the animal, since a horse "out to pasture" is not making money. In addition, trainers are generally entrusted with the care of a horse for only a short period of time and believe it is economically advantageous to keep a horse racing, no matter what the long-term physical cost to the animal. Contrary to popular belief, most racehorses are not extremely valuable animals. For every multi-million dollar race horse, like Secretariat, who makes an enormous amount of money for its owner and is, often, royally treated for the rest of its life, there are thousands of "cheaper" horses that endure a miserable existence--and even die on the race track--in order to try to live up to the hopes of their owners and trainers.

**10. WON'T HORSE RACING EXIST REGARDLESS OF WHETHER WAGERING IS PERMITTED ON THE RACES?**

Yes, there will always be some type of horse racing such as that held at county fairs or at the small "bush" tracks around the state. However, if pari-mutuel horse racing is legalized, horse racing will expand tremendously because of the huge incentives created by the gambling money. Pari-mutuel wagering does not eliminate the "bush" tracks, but only serves to dramatically increase the total number of horses that are raced in a particular state which results in more horses being abused. Also, because of the monetary incentives in pari-mutuel racing, the abuses are intensified.

3/6/86  
Attachment #11  
James Sloan

Position of The Kansas Federation of Humane Societies  
in Opposition to Parimutuel Wagering, House Bill No. 2789

The Kansas Federation of Humane Societies is a loosely-knit association of humane organizations and humane persons, most of whom are unpaid volunteers in their communities. The Federation is an often unpopular and tiny voice compared to that of monied interests. But the Federation believes that the creatures with whom we share this earth are not here for our amusement and exploitation simply because we humans seem to have the upper hand at this time. We are, of course, opposed to parimutuel wagering--either on horses or dogs--in our state. Our first concern is the animals.

What are the facts of abuse? First, dog racing--

1) The majority of 25,000 greyhounds raised each year are destroyed. Over 50% are killed before they even reach the tracks because they have no potential as runners. Eighty (80) percent are dead by the age of 5 years, for those who race them find them too expensive to keep if they can no longer earn money by racing.

Shooting is usually cheaper than paying a vet to euthanize the animal--regardless of when the animal is put to death. Some are sold for laboratory research.

2) Dogs who race often suffer severe injuries. According to Veterinary Medicine, August, 1983, these injuries include skin lacerations, dropped and torn muscles, ruptured tendon sheaths, and fractured bones. The dogs race in spite of painful ailments, usually twice a week in all kinds of weather.

3) Over 90% of greyhound trainers still continue to train their racers using live lures--rabbits, kittens, guinea pigs, chickens. A conservative estimate is that 100,000 animals per year are torn apart alive by the dogs. These creatures are attached to a machine by their legs and pulled ahead of the dogs who rip the animal apart. There is no chance for escape. Is this practice really any different from "bleeding" pit bulls for dog fighting--supposedly an illegal practice in Kansas?

Next--Horse racing.

1) Two-year-olds race before they are fully mature; skeletal and muscular systems are not fully developed. Horses run with almost 2 million foot-pounds per stride. The American Association of Equine Practitioners, a group of veterinarians, lists 2-year-old racing as one of the major causes of injury to animals.

2) Horses race excessively. They must race as often as possible or they make no money. There is no time to recover from the fatigue, stress, and injury caused by the tremendous pressure on their delicate legs.

3) Horses race on all kinds of tracks in all kinds of weather. Extremes of heat or cold and poor track conditions such as mud make no difference. Artificially prepared tracks--fast surfaces--increase likelihood of damage. In small towns, the local auto racing track, littered with nuts, bolts, and car parts, doubles as a horse track. Broken legs and blindness are not uncommon to animals ridden in such conditions.

4) Most prevalent of abuses is drugging. Regardless of the injury, the horse runs with painkillers to mask the hurt. Butazolidin and Lasix mask the pain so the animal runs as if

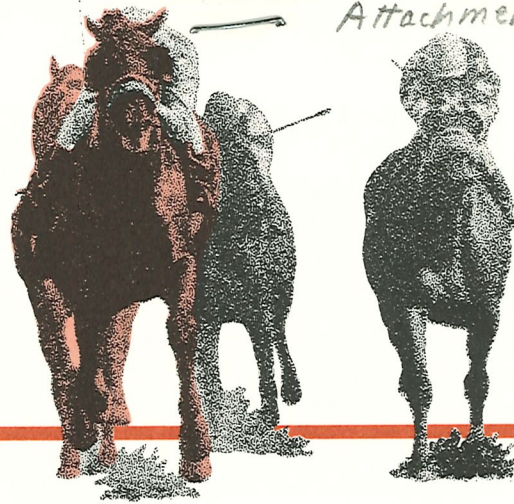
nothing hurts until the leg snaps, and horse and rider go down, often creating a threat to other horses and jockeys. These drugs, if legal, also mask the presence of illegal drugs in the system. Track fixers love legal drugs; so do most trainers, owners, and jockeys. In one season in Maryland, for example, with Bute and Lasix legal, 33% of the track favorites won. After Maryland outlawed all drugs, only 10% of the favorites won in a season. Surely that statistic says something important about the use of both legal and illegal drugs. As long as any drugs are used, horse racing will never be a clean sport. When they are not used, horses will not be able to race and owners will not make money.

And isn't that the big issue--MONEY. Once the horse is finished with a racing career, he heads for the dogfood factory. Few are kept on to retire to old age because the cost of keeping the animal is too high and the owner must find room for newer, brighter stars.

Will the state keep racing clean? Will the state truly be concerned about animal welfare? If money is involved, and it certainly is, the state will be a partner with owners and track managers to make money. Animal welfare will be of little concern when the chance of making more dollars will control the state's interest.

The Federation believes that Kansas can do much better in finding ways to raise revenues for the operation of our government. We urge legislators to seek means other than taxes on so-called "fun" to provide a solid base for Kansas finance.

3/6/86  
Attachment #12



## BREAKDOWN!

When a horse suffers a sudden, disabling injury during a race that causes it to pull up or fall, it's called a *breakdown*.

Thousands of these horses die right on the track or are destroyed. More are hauled off on a sled to wait, possibly for days, to be taken to a slaughterhouse.

Breakdowns are twice as likely in states that allow *pre-race drugging* of horses.

Drugs such as phenylbutazone ("bute"), Lasix, and corticosteroids help the horse's performance on the track but can hurt its health and raise the chances of its breaking down later.

Some drugs *mask* the pain of an injury, allowing an unsound horse to race and risk further injury. Other drugs that seem to be "quick cures" can have crippling long term side effects.

The use of these drugs on racing horses makes injury and death the surest bet at the track. Please voice your opposition at every opportunity to the pre-race use of drugs on horses.



The Humane Society of the United States  
2100 L Street, N.W.  
Washington, D.C. 20037