

MINUTES OF THE HOUSE COMMITTEE ON FEDERAL & STATE AFFAIRS

The meeting was called to order by CHAIRMAN MILLER at _____
Chairperson

1:30 a.m./p.m. on February 9, 1987 in room 526S of the Capitol.

All members were present except:

Representatives Rolfs & Roy

Committee staff present:

Lynda Hutfles, Secretary

Mary Galligan - Research

Conferees appearing before the committee:

Charles Belt, Wichita Greyhound Track Partners

Bob Runnels, Kansas Catholic Conference

Reverend Stan Cover, Hutchinson

Reverend Darrell Godfrey, Neal

Albert Becker, American Quarter Horse Association

Larry Erne, Kansas Independent Greyhound Owners

Reverend Richard Taylor, Kansans for life at its Best

The meeting was called to order by Chairman Miller.

Representative Sughrue made a motion, seconded by Representative Peterson, to approve the minutes. The motion carried.

HB2044 - Pari-mutuel

Charles Belt, Wichita Greyhound Track Partners, gave testimony on HB2044 expressing their concerns with the level of state tax levied on the pari-mutuel handle in Kansas. Three partners in the group are
See attachment A.

Bob Runnels, Kansas Catholic Conference, gave testimony in support of an amendment dealing with the operation of a racing facility within a distance of 2500 feet of any school or church. See attachment B.

Reverend Stan Cover, First Baptist Church of Hutchinson, gave testimony in support of Mr. Runnels amendment. The fairgrounds in Hutchinson would be just across the street from a new Catholic Church. The racetrack would inhibit the worshippers on Sunday. There are also nursing homes, an elementary school in the area with only a two lane street. The location of a racing facility should be up to a vote of the people who live in the area.

Reverend Darrell Godfrey, Pastor of the Church of Neal, distributed some proposed amendments to the bill and explained why he felt these amendments were needed. See attachment C.

Albert Becker, representing the American Quarter Horse Association and the American Horse Council, told the committee that the Task Force had the advantage of finding out all the good from other states and eliminating the bad. He told the committee that what they do with this bill during this session will have far reaching effects. He discussed the use of therapeutic medication for racing animals. This is fine, but not while they are running.

Mr. Becker said that Kansas is the fifth largest producer of quarterhorses in the world - 78,924 quarterhorses with 4,487 owners. This industry has worked very hard to get pari-mutuel in the state. A dual facility concept is good for Kansas and would urge this concept. He felt the tax base should be changed to start out at 3%. Developers need a chance to get a good start.

When asked if it were unusual for states to prohibit track owners from having

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Federal & State Affairs,
room 526S, Statehouse, at 1:30 a.m./p.m. on February 9, 1987.

a financial interest in racing horses, Mr. Becker said it was not unusual and that this could be included in the section dealing with financial interests of commissioners.

When asked about why there had not been a proposal for a freestanding horse track, Mr. Becker said that the cost factor was too great - barns, larger stabling area, more ground needed, more concession areas, etc. Horses take more care - four persons to take care of one horse. Horses eat more and cannot run as often as dogs. The only way Kansas is going to get ahead is to have a dual track facility in the KC area.

Mr. Becker was asked by the Chairman of the sub-committee dealing with medication if he could attend the meeting on adjournment of the Federal & State Affairs meeting today. Mr. Becker said he would attend.

There was discussion about the use of drug testing among employees of a track facility.

Larry Erne, Kansas Independent Greyhound Owners, explained the relationship between his group and the Kansas Greyhound Owners for Economic Development and the reason for the split between the two groups. The tax base is the one major difference between the two groups.

Mr. Erne presented the committee with the membership list that had been requested of him last week. There are currently 131 members. See attach D.

Reverend Richard Taylor, Kansan's for Life at its Best, supported the amendments proposed by Mr. Runnels and Reverend Cover. See attachment E.

The meeting was adjourned.

GUEST LIST

FEDERAL & STATE AFFAIRS COMMITTEE

DATE 2/9

(PLEASE PRINT)

NAME	ADDRESS	WHO YOU REPRESENT
RICHARD A. NELSON	ABILENE	KANSAS INDEPENDENT GREYHOUND OWNERS
Alan Steppat	TOPEKA	McGill + Assoc.
Jerry L. Abbott	Silver Lake	R. P. M.
BOB ALDERSON	TOPEKA	KANSAS RACING CHARITIES, INC.
Johanna DeWinger	Topeka	Kansas For Pari Mutual
ROBERT A. Lakin	Wichita	SEDEWICK County
Norman Hanson	Solomon Ks	Ks, Independent Greyhound owners
James Perkins	Topeka	
Helen Stout	Burlingame Ks	Greyhound Farmer
Shirley M. Cover	Hutchinson, K.S.	First Baptist Church
JULIA BEYER	Hutchinson Ks.	FIRST BAPTIST CHURCH
Edna Griffith	Hutchinson, Ks.	First Baptist Church
Virginia Barnhill	Hutchinson, Ks	First Baptist Church
Don Britt	Hutchinson, Ks	First Baptist Church
Mary E. Britt	Hutchinson Ks	First Baptist Church
Mergerite Burkess	Hutchinson, Ks.	First Baptist Church
Walter E. Brooks	Hutchinson Ks.	First Baptist Church
Pastor Guyon Jensen	Eureka, Ks.	First Baptist Church
Pastor Alvin Hunter	Eureka, Ks	Jefferson St. Baptist Church
Mildred Ehrlich	Hutchinson Ks., 1st Baptist Church	
Bertha Trisler	Hutchinson, Ks.	First Baptist Church
Ivan Barnhill	Hutchinson Ks	First Baptist Church
Pat McGill	Topeka Ks	ROMA, Ks Buskirk Bldg, Dr. H. H. Co.
F. E. Bliss	Wongton Ks	Ks State Fair
J. Bollenberg	Topeka	Wyandotte County
John R. Raulo	Topeka	K. State Fair
Ed Schaub	Topeka	Hutchinson Chamber of Commerce

Testimony Presented To
Federal and State Affairs Committee
Kansas House of Representatives
February 2, 1987
by Charles D. Belt

Mr. Chairman, members of the committee, I am Charles D. Belt, here today representing Wichita Greyhound Track (WGT) Partners who desire to develop a single use, \$16 to \$18 million greyhound track in Wichita.

As with other interests represented here today, we are concerned with the level of state tax levied on the pari-mutuel handle in Kansas. In regard to the tax rate, I would like to make several points.

First, I believe we should remind ourselves the key reasons the Pari-mutuel constitutional amendment passed a year ago in the legislature and why the voters of Kansas approved the amendment last November. The state needed new revenue sources; and at the community level, new jobs and a tax base would be created. The tax level can be structured so both of these objectives not only will be recognized, but maximized as well.

The task force that was instrumental in developing the bill we are discussing today received input from many

interests and researched a large number of other state's pari-mutuel laws.

It was agreed that greyhound racing could support a 5¢ state tax and horse racing should be taxed at 3¢.

Single use greyhound tracks, such as the WGT proposal in Wichita, can support a 5¢ tax allowing the state, maximum revenue, and providing significant cash flow to a non-profit organization for charitable causes.

There have been proposals to combine horse and greyhound racing into single facilities. If this is a desirable approach for pari-mutuel racing then the tax rate should be consistent with the economics that have been shown - if greyhound racing can subsidize the cost of racing horses, then the state can tax greyhounds at a higher level.

Based on pro formas of greyhound racing in Kansas City and Wichita, the difference of 2¢ in the pari-mutuel tax will mean anywhere from \$3 to \$5 million in tax revenue for the state. This is income the state definitely needs and which the industry of greyhound racing could economically provide.

Thank you.

TESTIMONY
KANSAS CATHOLIC CONFERENCE

House Federal and State Affairs Committee
H.B. 2044 - February 9, 1987
1:20 P.M.

Mr. Chairman, and members of the House Federal and State Affairs Committee:

My name is Bob Runnels. I am Executive Director of the Kansas Catholic Conference speaking under the authority of the Roman Catholic Bishops of Kansas.

I come today to speak in support of an amendment to House Bill #2044.

The amendment I propose is as follows:

"No persons who operate a facility for the conducting of races among dogs, horses, or other animals for the purpose of allowing persons to place bets upon the outcome of these races shall be licensed to operate a racetrack facility at any place within a distance of two thousand five hundred (2,500) feet of any school or church, measured from the property line of the racetrack property to the property line of the school or church."

We ask that you consider the following criteria:

Wherever located, a race track, by its very nature, will have a major impact on the surrounding area. It and its related activities will directly affect the quality of living up to a half mile and possibly even more in all directions from the track site.

A track creates a high intensity of activity - noise, traffic, commercialism and other disruptive influences.

It can have an even greater adverse effect than industrial and commercial activity from which neighborhoods and residential areas are traditionally protected in all communities.

Churches and schools are a vital part of neighborhood and residential living. This is evidenced by the fact that they are and have always been permitted and encouraged in single family residential areas.

People expect churches to be afforded a certain kind of environmental sanctuary which respects its location as a focal place for neighborhood and community worship to Almighty God.

Schools are an integral part of neighborhood and residential living. Much the same as said about churches can be said about schools.

Additionally, special consideration is needed for limiting traffic, noise and maintaining an environment which is not detrimental to the learning process and the safety and education of children.

Many church leaders besides our own have our same concerns and they will have testified to these already today, or later.

I am commissioned to add the support of Bishop Gene Schmidt for the Kansas Missouri Synod Lutheran Church and Bishop Roger Gieschien of the Lutheran ACL.

I have not talked to any church leader who has not expressed his concern and support.

PROPOSED AMENDMENTS TO HOUSE BILL No. 2044

I.

That Paragraphs (3) and (4) of Sub-section (c) of New Section 3 of House Bill No. 2044 be deleted and a new Paragraph (3) reading as follows "No member of the Commission shall ever have been directly associated with either the horse racing, race horse breeding, greyhound racing or greyhound breeding industries." be added.

II.

That Sub-section (a) of New Section 15 be amended to add paragraphs reading as follows: Paragraph (1) "All meetings of the stockholders and/or the governing body of any Non-profit Corporation licensed as a facility owner be subject to the provisions of the Kansas Open Meetings law." Paragraph (2) "The minutes and other pertinent records and all financial records of such Non-profit Corporations shall be open to public inspection." Paragraph (3) "Provisions of this Sub-section shall apply specifically to the Greenwood County Fair Association, The Anthony Fair Association, and The National Greyhound Association of Abilene, Kansas should any of these Non-profit Corporations be granted facility owner licenses."

III.

That Sub-section (b) of Section 15 be amended to add paragraphs reading as follows: (1) "That no pari-mutuel racetrack facility used for racing as defined in this statute be located within 2500 feet of any existing church, school, hospital, nursing home, or cemetery. The distance to be measured from the property line of the racetrack facility to the property line of the church, school, hospital, nursing home, or cemetery." Paragraph (2) "Nor shall any such racetrack facility used for racing as defined in this statute and already constructed and in use and which is closer than 2500 feet to any existing church, school, hospital, nursing home, or cemetery be changed, expanded, modified or renovated in any manner not in full compliance with this section. The distance to be measured from the property line of the racetrack facility to the property line of the church, school, hospital, nursing home, or cemetery."

IV.

That Sub-section (a) of Section 25 be amended to add Paragraph (1) which reads as follows: "No County, City or other governing body which authorizes the issuance of Industrial Revenue Bonds to finance, wholly or in part, the construction, renovation, improvement or operation of any licensed facility shall forego, for any reason, the collection of the general property tax on such facility." Paragraph (2) "Furthermore, no tax concessions for personal property shall be granted any of these Non-profit racetracks for construction, equipping, reconstruction, repairing, expanding, modifying, or renovating of facilities."

KANSAS INDEPENDENT GREYHOUND OWNERS

PAGE ONE

1987 MEMBERSHIP ROSTER

1	STAN SCHMIDT	34	RICHARD A. NELSON	67	PETER TAVARES
2	GARY HALE	35	ROSEMARIE NELSON	68	ROBERT J. PEARE
3	LINDA HALE	36	BILL BAUGH	69	MRS ROBERT J. PEARE
4	DENNIS BARSKY	37	DEANNA BAUGH	70	LARRY MAXSON
5	VIRGINIA HART	38	NARMAN HANSON	71	MARY MAXSON
6	KATHI BIGGS	39	VANGLE HANSON	72	ROBERT DEAN
7	KELLI ARCHER	40	DONNA WEIS	73	PHYLLIS DEAN
8	CHRISTINA BAUGH	41	DELBERT WEIS	74	JIM VANWINKLE
9	DAVID BAUGH	42	JOHN HART	75	KAROLYN VANWINKLE
10	KYLE BAUGH	43	VIRGINIA HART	76	DON BARTA
11	LELAND BOWYER	44	RON GRANT	77	DONALD PAYNE
12	ALAN HART	45	ELIZABETH GRANT	78	JOHN PAYNE
13	GERALD RODMAN	46	TRACY HANBACK	79	DERRELL RYAN
14	JOANN RODMAN	47	MARY HANBACK	80	KAREN RYAN
15	HOWARD CRAWFORD	48	GUY HANSON	81	DARREN RYAN
16	WAUNITA CRAWFORD	49	DEBBIE HANSON	82	CANDY CAIN
17	LAWRENCE KATZER	50	BILL PAPPAS	83	PAUL SULLIVAN
18	BARBARA KATZER	51	NILSA PAPPAS	84	WANDA SULLIVAN
19	IVAN HINKEL	52	DONALD SINKINS, JR	85	MAXINE RIDER
20	CLYDE HINKEL	53	HELEN STOUT	86	GORDON HEATH
21	CARMAN HANSON	54	BEN STOUT	87	HOWARD STIFF
22	NADINE P. MILLER	55	MARY LYON	88	DARWIN SMITH
23	JIM CREACH	56	JOYCE LYON	89	RUSSELL NEELY
24	ROSETTA CREACH	57	DANNY LYON	90	TRUDY NEELY
25	BERNIE COLLETTE	58	DEBBIE SCHMIDT	91	COLLIE ARMSTRONG
26	ANDY COLLETTE	59	ROBERT NELSON	92	MIKE VANSCHOYOC
27	WALTER SAIR	60	ANGELA NELSON	93	HARLAN V. OLSON
28	OPEL WOOD	61	PAUL PETRONE	94	DIXIE OPSON
29	JEFF COLE	62	CONNIE SWITZER	95	TOM TAPLIN
30	TOYE COLE	63	ROD BOYD	96	PATTY TAPLIN
31	DENNIS SWITZER	64	GARY BOYD	97	TIM TAPLIN
32	JOSEPH F. DIVIS	65	RICK COPENHAVER	98	TONY FERRARI
33	RAMONA NOHA	66	PETE WILSON	99	LUTHER CRAWFORD

Attachment D

100 MICHAEL SHERRETS
101 DR. AL BISSING
102 CHARLES GILBER
103 BEVERLY GILBER
104 CLAUDE COCKE
105 LARRY DENNETT
106 MELVIN DENNETT
107 TONY HEATH
108 HOMER STARKS
109 JOHN ALLENBACK
110 SAM ALEXANDER
111 TEX ALEXANDER
112 BENNY STIFF
113 ARLAN BAUR
114 DANNY DUCKWORTH
115 GEORGE CONLEY
116 MELVIN MCCALLAN
117 BEN MADISON
118 MARVIN NEWMAN
119 DIXIE NEWMAN
120 JOHN REESE
121 WILLY LOVELLE
122 ED GUEST
123 TERESA GUEST
124 DARWIN SMITH
125 PAUL CUALLY
126 ROBERT SANBORN
127 SHIRLEY SANBORN
128 DENNIS RIDER
129 MARY RIDER
130 DANIEL D. O'BRIEN
131 LORI O'BRIEN

Some \$180 million a year is wagered at Nebraska tracks. If the same amount would be wagered a year at Kansas tracks, and if Kansas tracks ran 145 days a year, bets would need to average over one million dollars a day. The public would need to "invest" \$250,000 a day if all winners reinvested only their winnings and if all losers on every race would not make additional wagers.

Richard Joylon

EVERY DAY FOR 145 DAYS

\$250,000.00	wagered by the public on the first race.	18% take-out leaves a mutual pool of
205,000.00	returned to the winners of the first race who bet it all on the second race.	18% take-out leaves
168,100.00	returned to the winners of the second race who bet it all on the third race.	18% take-out leaves
137,842.00	returned to the winners of the third race who bet it all on the fourth race.	18% take-out leaves
113,030.44	returned to the winners of the fourth race who bet it all on the fifth race.	18% take-out leaves
92,684.96	returned to the winners of the fifth race who bet it all on the sixth race.	18% take-out leaves
76,001.67	returned to the winners of the sixth race who bet it all on the seventh race.	18% take-out leaves
62,321.37	returned to the winners of the seventh race who bet it all on the eighth race.	18% take-out leaves
<u>51,103.52</u>	returned to the winners of the eighth race who bet it all on the ninth race.	18% take-out leaves
1,156,083.96	Total bets for the day (sales tax exempt)	\$41,904.89 returned to winners of ninth race.

ONE DAY

34,682.52 Taxes for the state at 3% of total amount bet.
173,412.59 Take out for track operators and owners of winning horses or dogs at 15% of total amount bet.
These are consumer dollars now spent on main street.
41,904.89 Amount "won" by the public after spending \$250,000.00
\$250,000.00

The bigger the track, the more damage done to local merchants. The business community of Atlantic City worked hard for casino gambling, thinking it would help. The casinos are doing well, but businessmen have been destroyed because of consumer dollars now lost at the casinos.

Does Johnson or Wyandotte County want a big gambling track that will drain off millions of consumer dollars?

Missouri will not have a dog track. If a big dog track is not built in Kansas, businessmen on both sides of the state line will be better off.

Bingo gambling was passed in Kansas for schools and other small time operations. The law was finally cleaned up to do just that.

Will Kansas make the same mistake with parimutuel? This committee could pass legislation that would keep small time parimutuel gambling at county fairs and other small tracks across the state.

Organized crime goes where the big bucks are, the large track near the big city. You have every right to prevent that problem.

Private gambling pays off 100 cents on the dollar. If a person breaks even gambling with friends, he takes home exactly what he started with. Parimutuel gambling takes out 18% of all money bet. If a gambler breaks even picking the winners on 6 races he is wiped out. (6x18%=108%)

Attachment E