

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 17, 1987 in room 526S of the Capitol.

All members were present except:

Committee staff present:

Lynda Hutfles, Secretary
Raney Gilliland, Research
Mary Galligan, Research
Mary Torrance, Revisor's Office

Conferees appearing before the committee:

The meeting was called to order by Chairman Miller

Representative Sughrue made a motion, seconded by Representative Long, to approve the minutes of the February 16 meeting. The motion carried.

HB2044 - Pari-mutuel

Representative Roy made a motion, seconded by Representative Aylward, made a conceptual motion to exclude state fair organizations from the distribution provisions which govern non-profit organizations from the distribution provisions which govern non-profit organizations in the bill. The motion carried.

Representative Eckert made a motion, seconded by Representative Rolfs, to add a New Sec. 30 which would require that 50% of the kennels with contracts to race greyhounds in Kansas must be located in Kansas. The motion carried. Division - 13-10. See attachment A.

Representative Eckert made a motion, seconded by Representative Bryant to add to New Sec. 30 a provision which provides rules and regulations for the admission to races by qualified Kansas-Whelped greyhounds. The motion carried. See attachment B.

Representative Aylward made a motion, seconded by Representative Peterson, to include ", partnership, corporation or association who is licensed by the commission" in the definition of "Facility manger licensee", so as not to limit to one person. The motion carried. See attachment C.

Representative Aylward made a motion, seconded by Representative Eckert, to include "and a user of" alcohol or a controlled substance in line 0562 after "to". The motion carried with Representative Sifers recorded as voting "no". See attachment D.

Representative Peterson made a motion, seconded by Representative Sifers, to require as a condition of a license that you have gone through procedures with your local county commissioners and that site, plans and construction and facility have been approved by the county commission and a certificate be filed with the State Racing Commission. See attachment E. The motion lost. Division 5-18.

Representative Aylward made a motion, seconded by Representative Barr, to provide for registration of Kansas domiciled greyhounds. After discussion as to whether this was what the amendment was supposed to do, Representative Aylward withdrew her motion in order to talk further with the revisor. See attachment F.

Representative Rolfs made a motion, seconded by Representative Barr, to insert after "commission;" on line 0133 the word "and". The motion carried. (See Attachment G)

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Federal & State Affairs,
room 526S, Statehouse, at 1:30 a.m./p.m. on February 17, 1987.

Representative Rolfs made a motion, seconded by Representative Roy, to prohibit a facility owner licensee or facility manager, officer, director or employee to participate as an owner, owner-trainer or trainer of a horse or greyhound, jockey of a horse entered in this state, or place a wager on an entry in a horse or greyhound race. The motion carried. See attachment H.

Representative Hensley made a motion, seconded by Representative Jenkins, to provide for authority for the commission to adopt rules and regulations that provide for the testing of any licensees of the commission, and any officers, directors and employees to determine whether they are users of any controlled substances. The motion carried. See attachment I.

Representatives Rolfs made a motion, seconded by Representative Hensley, to prohibit exemptions for developers from income, property, sales, business or occupation that is not offered to any other similar business. The motion carried. See attachment J.

Representative Rolfs made a motion, seconded by Representative Walker, to assure financial viability as critical under the revocation provisions. The racing commission may within 90 days revoke a license if they have not produced a letter of financial credit. The motion carried.

There was discussion concerning the Pooled Money Investment Board and what happens to the interest.

Representative Rolfs made a conceptual motion, seconded by Representative Charlton, to provide that the Executive Director be appointed by the Governor rather than the Racing Commission. The motion carried.

Representative Sprague made a conceptual motion, seconded by Representative Walker to delete New Sec. 5 (3) (d) and include in New Sec. 9 that the attorney general shall appoint, with the approval of the commission, no more than two assistant attorney general to be assigned to assist the commission in the enforcement of this act. Strike "criminal" in line 381. The motion carried.

Representative Sprague pointed out a technical clean up in lines 452 and 458. Staff was asked to correct "devise" to "device".

Representative Rolfs made a motion, seconded by Representative Barr, to adopt amendments requiring statutory authority for the commission to submit fingerprints for criminal records searches; providing for disclosure of information regarding state income taxes for applicants for facility owner licenses and facility manager licenses; and providing for disclosure of information regarding taxes other than income tax for applicants for facility owner license or facility managers license. The motion carried. See attachment K.

Representative Eckert made a conceptual motion, seconded by Representative Aylward, which would reduce the penalty for the first time offense of use of syringes other than by a licensed veterinarian on the compound to a Class A misdemeanor. The motion carried.

Representative Sebelius made a motion, seconded by Representative Sifers, to reduce the penalty for New Sec. 10(e) (5) to a Class A misdemeanor for first offenses and for second and subsequent offenses to a Class E felony. The motion lost.

The Chairman announced that a balloon of all amendments that had been adopted would be ready for the Wednesday meeting and that only clean-up amendments would be accepted except those of Representative Aylward's on Kansas domiciled greyhounds and Representative Rolf's amendment on pooled investments.

There will be no meeting on Thursday at the regular time, but the Chairman encouraged committee members to attend the 8:00 meeting on Thursday in the Old Supreme Court Room (313S).

The meeting was adjourned.

GUEST LIST

FEDERAL & STATE AFFAIRS COMMITTEE

DATE 2-17

(PLEASE PRINT)

NAME	ADDRESS	WHO YOU REPRESENT
Ed Schaub	Topeka	Hutchinson Chamber of Commerce
Jake Raemborg	Lewistown, Ks	
Werner	Liberal, Ks	
Robert S. Ackison	Stockton, Kans.	
Oprie Bestright	Mayfield	KGOED
Donna Weis	Brookville	K.I.N.E.
John J. Hart	Topeka, Ks	KIAO
NORMAN HANSON	Solomon KS	KIGO
Frank Hurley	Topeka	Kidac Mfg. Inc.
Norman Rose	K.C. K.	Ks Power Mfg. Inc.
Larry Jones	Topeka	KI GO
Steve Koberstein	Topeka	AP
Pete McMill	Topeka	Hutch CC, KUMA, KGRA
Helen Stout	Burlingame	Greyhound Farmer
Margaret Tallon	Melvale	
Jim Burgess	Topeka	Sunflower Raisin
Bob Anderson	Topeka	Kans. Racine Cement, Inc.
Gary Harman	Salina	Salina Central High School
Darin Brummett	"	"
Amy Sloop	"	"
Lisa Struble	"	"
David Sanderson	"	"
ROBERT A. LAKIN	Wichita	SEOG Co.
Leslie H. Klemm	Topeka	Rep. Hawley (Antennae)
Larry Danielson	Wichita	Danielson Associates
Jim With	City of Beloit	DC

GUEST LIST

FEDERAL & STATE AFFAIRS COMMITTEE

DATE 2-17

(PLEASE PRINT)

NAME

ADDRESS

WHO YOU REPRESENT

Bob Purcell

K.C.T.S.

St. Cath. Conf.

Sam Mazur

Topeka

Observer

DICK TAYLOR

TOPEKA

LIFE AT BEST

Aloie Price

Topeka

KBA

Tom Kastens

Anthony

Anthony Downs

J. P. SMALL

TOPEKA

KANSANS FOR PARIMUTUEL

"

EUREKA DOWNS

GREENWOOD CO. FAIR ASSOC.

Roger Myers

Topeka

Capital Journal

0638 approved and included in the calculation of the initial license
 0639 fee.

0640 (g) All organization licenses shall be reviewed annually by
 0641 the commission to determine if the licensee is complying with
 0642 the provisions of this act and rules and regulations of the com-
 0643 mission and following such proposed plans and operating pro-
 0644 cedures as were approved by the commission. The commission
 0645 may review an organization license more often than annually
 0646 upon its own initiative or upon the request of any interested
 0647 party. The commission may require an organization licensee to
 0648 provide any updated information necessary for the commission
 0649 to conduct the annual or periodic review.

0650 (h) Subject to the provisions of subsection (i), the commis-
 0651 sion, in accordance with the Kansas administrative procedure
 0652 act, may suspend or revoke an organization license or may
 0653 impose a fine not exceeding \$5,000, or may both suspend such
 0654 license and impose such fine, for each of the following violations
 0655 by a licensee:

0656 (1) One or more serious violations, or a pattern of repeated
 0657 minor violations, of the provisions of this act or rules and regu-
 0658 lations of the commission;

0659 (2) failure to follow one or more substantial provisions of the
 0660 licensee's plans for the construction or operation of a racetrack
 0661 facility as submitted to and approved by the commission;

0662 (3) failure to maintain compliance with the requirements of
 0663 subsection (b) for the initial issuance of an organization license;

0664 (4) failure to properly maintain or to make available to the
 0665 commission such financial and other records sufficient to permit
 0666 the commission to verify the licensee's nonprofit status and
 0667 compliance with the provisions of this act or rules and regula-
 0668 tions of the commission;

0669 (5) providing to the commission any information material to
 0670 the issuance, maintenance or renewal of the licensee's license
 0671 knowing such information to be false or misleading; or

0672 (6) failure to meet the licensee's financial obligations in-
 0673 curred in connection with the conduct of a race meeting;

0674 (i) Prior to suspension or revocation of a license pursuant to

; or (7) a violation of section 30

0343 disease of greyhounds; and

0344 (3) an amount equal to 50% of all moneys credited to the fund
0345 during a fiscal year shall be used by the racetrack facilities where
0346 derived to supplement purses in races for Kansas-whelped grey-
0347 hounds as approved by the commission.

0348 Sec. 30. K.S.A. 21-4302 is hereby amended to read as fol-
0349 lows: 21-4302. (1) A "bet" is a bargain in which the parties agree
0350 that, dependent upon chance, one stands to win or lose some-
0351 thing of value specified in the agreement. A bet does not in-
0352 clude:

(a) Bona fide business transactions which are valid under the
0354 law of contracts including but not limited to contracts for the
0355 purchase or sale at a future date of securities or other commodi-
0356 ties, and agreements to compensation for loss caused by the
0357 happening of the chance including, but not limited to contracts
0358 of indemnity or guaranty and life or health and accident insur-
0359 ance;

0360 (b) offers of purses, prizes or premiums to the actual contes-
0361 tants in any bona fide contest for the determination of skill,
0362 speed, strength, or endurance or to the bona fide owners of
0363 animals or vehicles entered in such a contest;

0364 (c) a lottery as defined in this section;

0365 (d) any bingo game by or for participants managed, operated
0366 or conducted in accordance with the laws of the state of Kansas
0367 by an organization licensed by the state of Kansas to manage,
0368 operate or conduct games of bingo; or

0369 (e) *any system of parimutuel wagering managed, operated*
0370 *and conducted in accordance with the Kansas parimutuel racing*
0371 *act.*

0372 (2) A "lottery" is an enterprise wherein for a consideration
0373 the participants are given an opportunity to win a prize, the
0374 award of which is determined by chance.

0375 (3) "Consideration" ~~as used in this section~~ means anything
0376 which is a commercial or financial advantage to the promoter or a
0377 disadvantage to any participant.

0378 Mere registration without purchase of goods or services; per-
0379 sonal attendance at places or events, without payment of an

New Sec. 30. If an organization licensee enters into contracts with kennels whereby such kennels agree to provide greyhounds to race at race meetings conducted by such licensee, not less than 50% of such kennels shall be located in Kansas.

[renumber remaining sections]

Eckert

Attachment B

0638 approved and included in the calculation of the initial license
0639 fee.

0640 (g) All organization licenses shall be reviewed annually by
0641 the commission to determine if the licensee is complying with
0642 the provisions of this act and rules and regulations of the com-
0643 mission and following such proposed plans and operating pro-
0644 cedures as were approved by the commission. The commission
0645 may review an organization license more often than annually
0646 upon its own initiative or upon the request of any interested
0647 party. The commission may require an organization licensee to
0648 provide any updated information necessary for the commission
49 to conduct the annual or periodic review.

0650 (h) Subject to the provisions of subsection (i), the commis-
0651 sion, in accordance with the Kansas administrative procedure
0652 act, may suspend or revoke an organization license or may
0653 impose a fine not exceeding \$5,000, or may both suspend such
0654 license and impose such fine, for each of the following violations
0655 by a licensee:

0656 (1) One or more serious violations, or a pattern of repeated
0657 minor violations, of the provisions of this act or rules and regu-
0658 lations of the commission;

0659 (2) failure to follow one or more substantial provisions of the
0660 licensee's plans for the construction or operation of a racetrack
0661 facility as submitted to and approved by the commission;

0662 (3) failure to maintain compliance with the requirements of
0663 subsection (b) for the initial issuance of an organization license;

0664 (4) failure to properly maintain or to make available to the
0665 commission such financial and other records sufficient to permit
0666 the commission to verify the licensee's nonprofit status and
0667 compliance with the provisions of this act or rules and regula-
0668 tions of the commission;

0669 (5) providing to the commission any information material to
0670 the issuance, maintenance or renewal of the licensee's license
0671 knowing such information to be false or misleading; ~~or~~

0672 (6) failure to meet the licensee's financial obligations in-
0673 curred in connection with the conduct of a race meeting;

0674 (i) Prior to suspension or revocation of a license pursuant to

; or (7) a violation of section 30 or any rules and regulations adopted pursuant to that section

0343 disease of greyhounds; and

0344 (3) an amount equal to 50% of all moneys credited to the fund
0345 during a fiscal year shall be used by the racetrack facilities where
0346 derived to supplement purses in races for Kansas-whelped grey-
0347 hounds as approved by the commission.

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0349 lows: 21-4302. (1) A "bet" is a bargain in which the parties agree
0350 that, dependent upon chance, one stands to win or lose some-
0351 thing of value specified in the agreement. A bet does not in-
0352 clude:

0353 (a) Bona fide business transactions which are valid under the
0354 law of contracts including but not limited to contracts for the
0355 purchase or sale at a future date of securities or other commodi-
0356 ties, and agreements to compensation for loss caused by the
0357 happening of the chance including, but not limited to contracts
0358 of indemnity or guaranty and life or health and accident insur-
0359 ance;

0360 (b) offers of purses, prizes or premiums to the actual contes-
0361 tants in any bona fide contest for the determination of skill,
0362 speed, strength, or endurance or to the bona fide owners of
0363 animals or vehicles entered in such a contest;

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0365 (d) any bingo game by or for participants managed, operated
0366 or conducted in accordance with the laws of the state of Kansas
0367 by an organization licensed by the state of Kansas to manage,
0368 or operate or conduct games of bingo; or

0369 (e) *any system of parimutuel wagering managed, operated*
0370 *and conducted in accordance with the Kansas parimutuel racing*
0371 *act.*

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0373 the participants are given an opportunity to win a prize, the
0374 award of which is determined by chance.

0375 (3) "Consideration" ~~as used in this section~~ means anything
0376 which is a commercial or financial advantage to the promoter or a
0377 disadvantage to any participant.

0378 Mere registration without purchase of goods or services; per-
0379 sonal attendance at places or events, without payment of an

New Sec. 30. The commission shall provide by rules and regulations for the admission to races of any Kansas-Whelped greyhound which is otherwise qualified and which is owned by a resident of this state who has been engaged in this state, for at least the two preceding years, in the business of breeding, racing, raising or training greyhounds for racing purposes.

[renumber remaining sections]

C

Attachment

Session of 1987

HOUSE BILL No. 2044

By Special Committee on Federal and State Affairs

Re Proposal No. 14

1-8

AN ACT relating to horse and greyhound racing and permitting parimutuel wagering thereon; providing for regulation and taxation thereof; prohibiting certain acts and providing penalties therefor; amending K.S.A. 21-4302, 38-1502, 38-1602 and 74-5602 and repealing the existing sections.

Be it enacted by the Legislature of the State of Kansas:

New Section 1. Sections 1 through 29 shall be known and may be cited as the Kansas parimutuel racing act and shall apply to all horse race meetings, whether or not parimutuel wagering is used or intended to be used at such meetings, and to all greyhound race meetings at which parimutuel wagering is used or intended to be used.

New Sec. 2. As used in this act unless the context otherwise requires:

(a) "Breakage" means the odd cents by which the amount payable on each dollar wagered in a parimutuel pool exceeds a multiple of \$.10.

(b) "Commission" means the Kansas racing commission created by this act.

(c) "Concessionaire licensee" means a person, partnership, corporation or association licensed by the commission to utilize a space or privilege within a racetrack facility to sell goods.

(d) "Executive director" means the executive director of the commission.

(e) "Facility manager licensee" means a person who has a contract with an organization licensee to manage a racetrack facility.

(f) "Facility owner licensee" means a person or unit of gov-

, partnership, corporation or association who is licensed by the commission and

0527 (b) To qualify for an organization license to conduct horse or
0528 greyhound races:

0529 (1) The applicant shall be a bona fide, nonprofit corporation
0530 incorporated under the laws of the state of Kansas;

0531 (2) the applicant shall have, either by itself or through con-
0532 tractual relationships with other persons or businesses approved
0533 by the commission, the financial capability, manpower and
0534 technical expertise, as determined by the commission, to prop-
0535 erly conduct horse races or greyhound races, or both, and, if
0536 applicable, to operate a parimutuel wagering system;

0537 (3) if the applicant is proposing to construct a racetrack facil-
0538 ity, the applicant shall submit detailed plans for the construction
0539 of such facility, including the means and source of financing such
0540 construction and operation, sufficient to convince the commis-
0541 sion that such plans are feasible;

0542 (4) submit for commission approval a written copy of each
0543 contract and agreement which the applicant proposes to enter
0544 into, including all those listed in subsection (l), which contracts
0545 and agreements shall conform to the restrictions placed thereon
0546 by subsections (l), (m) and (n);

0547 (5) the applicant shall propose to conduct races within only
0548 one county, and in such county the majority of the qualified
0549 electors have approved either: (A) The constitutional amend-
0550 ment permitting the conduct of horse and dog races and parimu-
0551 tuel wagering thereon; or (B) a proposition permitting horse and
0552 dog races and parimutuel wagering thereon within the bounda-
0553 ries of such county;

0554 (6) no stockholder, director, officer, employee or agent of the
0555 applicant shall have been convicted of or have criminal charges
0556 pending for any of the following in any court of any state or of the
0557 United States: (A) Fixing of horse or greyhound races; (B) illegal
0558 gambling activity; (C) illegal sale or possession of any controlled
0559 substance; (D) operation of any illegal business; (E) repeated
0560 acts of violence; or (F) any felony;

0561 (7) no stockholder, director or officer of the applicant shall be
0562 addicted to ~~alcohol or a controlled substance; and~~ and a user of

0563 (8) all employees of the applicant shall be citizens of the

0194 (e) The commission shall allocate equitably race meeting
0195 dates, racing days and hours to all organization licensees and
0196 assign such dates and hours so as to minimize conflicting dates
0197 and hours within the same geographic market area.

0198 (f) The commission shall have the authority to exclude, or
0199 cause to be expelled, from any race meeting or racetrack facility,
0200 any person:

0201 (1) Who has violated the provisions of this act or any rule and
0202 regulation or order of the commission;

0203 (2) who has been convicted of violating the racing or gam-
0204 bling laws of this or any other state or of the United States; or

0205 (3) whose presence, in the opinion of the commission, re-
0206 flects adversely on the honesty and integrity of horse or grey-
0207 hound racing or interferes with the orderly conduct of a race
0208 meeting.

0209 ~~(g)~~ The commission shall review and approve all proposed
0210 construction and major renovations to racetrack facilities owned
0211 or leased by licensees. ~~f~~ of

0212 ~~(h)~~^b The commission may suspend a horse or greyhound from
0213 participation in races if such horse or greyhound has been
0214 involved in any violation of the provisions of this act or any rule
0215 and regulation or order of the commission.

0216 ~~(i)~~^c The commission, within 72 hours after any action taken by
0217 a steward or racing judge and upon appeal by any interested
0218 party or upon its own initiative, may overrule any decision of a
0219 steward or racing judge, other than a decision regarding dis-
0220 qualifications for interference during the running of a race, if the
0221 preponderance of evidence indicates that:

0222 (1) The steward or racing judge mistakenly interpreted the
0223 law;

0224 (2) new evidence of a convincing nature is produced; or

0225 (3) the best interests of racing and the state may be better
0226 served.

0227 A decision of the commission to overrule any decision of a
0228 steward or racing judge shall not change the distribution of
0229 parimutuel pools to the holders of winning tickets. A decision of
0230 the commission which would affect the distribution of purses in

~~New Sec. 5. (a)~~

sites and

If there will be construction or major renovation of the facility, the application shall be accompanied by a certification of approval of the proposed site and construction or renovation by the board of county commissioners of the county where the proposed site is located, certified by the chairperson of the board of county commissioners and attested by the county clerk.

[reletter remaining subsections, renumber remaining sections and change cross-references]

Attachment E

Withdrawn

F

Attachment F

0306 (5) moneys for equine research through institutions of higher
0307 education under the state board of regents.

0308 New Sec. 28. (a) The commission shall, by rules and regula-
0309 tions:

0310 (1) Qualify stallions for participation in Kansas-registered
0311 stallion awards;

0312 (2) provide for the registration of Kansas-domiciled mares,
0313 Kansas-domiciled stallions and Kansas-bred horses; and

0314 (3) establish a schedule of fees for the registration of Kansas-
0315 domiciled mares, Kansas-domiciled stallions and Kansas-bred
0316 horses sufficient to provide for all expenses incurred in the
0317 administration of the Kansas horse breeding development fund
0318 created pursuant to section 27.

0319 (b) The commission may contract with and designate an
0320 official registering agency to implement the registration of
0321 horses and the payment of awards from the Kansas horse breed-
0322 ing development fund. Such agency shall operate under the
0323 supervision of the commission and be subject to rules and
0324 regulations of the commission. The official registering agency
0325 shall receive no compensation except fees received for registra-
0326 tion of horses necessary to pay its expenses for such registration.

0327 New Sec. 29. (a) There is hereby created in the state treasury
0328 the Kansas greyhound breeding development fund to which
0329 money shall be credited as provided by this act. Expenditures
0330 from such fund shall be made in accordance with appropriation
0331 acts upon warrants of the director of accounts and reports issued
0332 pursuant to vouchers approved by the chairperson of the com-
0333 mission or a person designated by the chairperson.

0334 (b) Moneys credited to the fund shall be expended as fol-
0335 lows:

0336 (1) An amount equal to ~~25%~~ ^{25%} of all moneys credited to the
0337 fund during a fiscal year shall be used ~~for canine research~~
0338 ~~through institutions of higher education under the state board of~~
0339 ~~regents;~~

0340 (2) an amount equal to 25% of all moneys credited to the fund
0341 during a fiscal year shall be used for research conducted within
0342 the state of Kansas relating to the prevention of injury and

not more than

to provide for the registration of Kansas-
domiciled greyhounds pursuant to section 30

0343 disease of greyhounds; and
 0344 (3) an amount equal to ~~50%~~ ^{just} of all moneys credited to the fund
 0345 during a fiscal year shall be used by the racetrack facilities where
 0346 derived to supplement ~~purses in races for Kansas-whelped grey-~~ stake purse
 0347 hounds as approved by the commission.

0348 Sec. 30. K.S.A. 21-4302 is hereby amended to read as fol-
 0349 lows: 21-4302. (1) A "bet" is a bargain in which the parties agree
 0350 that, dependent upon chance, one stands to win or lose some-
 0351 thing of value specified in the agreement. A bet does not in-
 0352 clude:

0353 (a) Bona fide business transactions which are valid under the
 0354 law of contracts including but not limited to contracts for the
 0355 purchase or sale at a future date of securities or other commodi-
 0356 ties, and agreements to compensation for loss caused by the
 0357 happening of the chance including, but not limited to contracts
 0358 of indemnity or guaranty and life or health and accident insur-
 0359 ance;

0360 (b) offers of purses, prizes or premiums to the actual contes-
 0361 tants in any bona fide contest for the determination of skill,
 0362 speed, strength, or endurance or to the bona fide owners of
 0363 animals or vehicles entered in such a contest;

0364 (c) a lottery as defined in this section;

0365 (d) any bingo game by or for participants managed, operated
 0366 or conducted in accordance with the laws of the state of Kansas
 0367 by an organization licensed by the state of Kansas to manage,
 0368 operate or conduct games of bingo; or

0369 (e) *any system of parimutuel wagering managed, operated*
 0370 *and conducted in accordance with the Kansas parimutuel racing*
 0371 *act.*

0372 (2) A "lottery" is an enterprise wherein for a consideration
 0373 the participants are given an opportunity to win a prize, the
 0374 award of which is determined by chance.

0375 (3) "Consideration" ~~as used in this section~~ means anything
 0376 which is a commercial or financial advantage to the promoter or a
 0377 disadvantage to any participant.

0378 Mere registration without purchase of goods or services; per-
 0379 sonal attendance at places or events, without payment of an

not less than
 stake purse

New Sec. 30. (a) The commission shall provide by rules and regulations for the registration of Kansas-domiciled greyhounds.

(b) The commission may contract with and designate an official registering agency to implement the registration of greyhounds. Such agency shall operate under the supervision of the commission and be subject to rules and regulations of the commission. The official registering agency shall receive no compensation for registration of greyhounds pursuant to this section except that necessary to pay its expenses for such registration.

[renumber remaining sections]

Rolfs

Attachment A.

0120 an actual resident of Kansas at the time of appointment and
0121 during such member's term of office with the commission;

0122 (2) each member shall have been a resident of Kansas for a
0123 continuous period of not less than five years immediately pre-
0124 ceding appointment to the commission; and

0125 (3) no member shall have been convicted of a felony under
0126 the laws of any state or of the United States at any time prior to
0127 appointment or during such member's term of office with the
0128 commission.

0129 (c) The governor shall make appointments to the commission
0130 in such a manner that:

31 (1) Not more than three members belong to the same political
0132 party at the time of appointment and during their terms of office
0133 with the commission; _____ and

0134 (2) not more than two members reside in the same congres-
0135 sional district at the time of appointment;

0136 ~~(3) one member is experienced in the horse racing and horse
0137 breeding industries; and~~

0138 ~~(4) one member is experienced in the greyhound racing and
0139 greyhound breeding industries.~~

0140 (d) Of the members first appointed to the commission, the
0141 governor shall designate one whose term shall expire June 30,
0142 1988; two whose terms shall expire June 30, 1989; and two
0143 whose terms shall expire June 30, 1990. After the expiration of
0144 such initial terms, each member shall be appointed for a term of
0145 three years and until a successor is appointed and qualified.

0146 (e) A vacancy on the commission shall be filled for the
0147 unexpired term by appointment by the governor.

0148 (f) The commission shall meet at such times and places
0149 within this state as the chairperson or a majority of the commis-
0150 sion members determines. A majority of the members shall
0151 constitute a quorum for the conduct of commission business.

0152 (g) The members of the commission shall annually elect a
0153 chairperson, vice-chairperson and secretary from the member-
0154 ship of the commission. No member of the commission shall
0155 serve more than two consecutive terms as the chairperson.

0156 (h) Members of the commission shall receive such compen-

0379 approval of the commission, an assistant attorney general who
 0380 shall be assigned to assist the commission in the enforcement of
 0381 the criminal provisions of this act. Such attorney shall be in the
 0382 unclassified service under the Kansas civil service act and shall
 0383 receive an annual salary fixed by the attorney general, with the
 0384 approval of the commission, subject to the limitations of appro-
 0385 priations therefor.

0386 New §ec. 10. (a) It is a class A misdemeanor for any member
 0387 of the commission to have a financial interest, directly or indi-
 0388 rectly, in any racetrack facility within the state of Kansas during
 0389 the member's term of office with the commission or during the
 0390 two years immediately following such member's term of office
 0391 with the commission.

0392 (b) It is a class A misdemeanor for any member, employee or
 0393 appointee of the commission, including stewards and racing
 0394 judges, to knowingly:

0395 (1) Participate in the operation of or have a financial interest
 0396 in any business which has been issued a concessionaire license,
 0397 facility owner license or facility manager license, or any business
 0398 which sells goods or services to an organization licensee;

0399 (2) participate directly or indirectly as an owner, owner-
 0400 trainer or trainer of a horse or greyhound, or as a jockey of a
 0401 horse, entered in a race meeting conducted in this state;

0402 (3) place a wager on an entry in a horse or greyhound race
 0403 conducted by an organization licensee; or

0404 (4) accept any compensation, gift, loan, entertainment, favor
 0405 or service from any licensee, except such suitable facilities and
 0406 services within a racetrack facility operated by an organization
 0407 licensee as may be required to facilitate the performance of the
 0408 member's, employee's or appointee's official duties.

0409 (c) It is a class A misdemeanor for any member, employee or
 0410 appointee of the commission, or any spouse, parent, grandparent,
 0411 brother, sister, child, grandchild, parent-in-law, brother-in-law
 0412 or sister-in-law thereof, to:

0413 (1) Hold any license issued by the commission; or

0414 (2) enter into any business dealing, venture or contract with
 0415 an owner or lessee of a racetrack facility in Kansas. |

(c) It is A class A misdemeanor for any ~~organizational~~
~~licensee~~, facility owner licensee or facility manager
 licensee, or any officer, director or employee thereof, to

(1) Participate directly or indirectly as an owner,
 owner-trainer or trainer of a horse or greyhound, or as a
 jockey of a horse, entered in a race meeting conducted
 in this state; or

(2) place a wager on an entry in a horse or greyhound
 race conducted by an organization licensee.

Attachment H.

Hensley

I
Attachment I

0231 any race shall not result in a change in that distribution unless a
0232 written claim is submitted to the commission within 48 hours
0233 after completion of the contested race by one of the owners or
0234 trainers of a horse or greyhound which participated in such race
0235 and a preponderance of evidence clearly indicates to the com-
0236 mission that one or more of the grounds for protest, as provided
0237 for in rules and regulations of the commission, has been sub-
0238 stantiated. ~~_____~~

(j) The commission may adopt rules and regulations providing for the testing of any licensees of the commission, and any officers, directors and employees thereof, to determine whether they are users of any controlled substances.

0239 ~~(j)~~ The commission shall adopt such rules and regulations as
0240 necessary to implement and enforce the provisions of this act.

(k)

0241 New Sec. 5. (a) (1) The commission shall appoint an execu-
0242 tive director to serve at the pleasure of the commission.

0243 (2) The executive director shall: (A) Be in the unclassified
0244 service under the Kansas civil service act; (B) devote full time to
0245 the executive director's assigned duties; (C) receive such com-
0246 pensation as determined by the commission, subject to the
0247 limitations of appropriations therefor; (D) be a citizen of the
0248 United States and an actual resident of Kansas during employ-
0249 ment by the commission; and (E) not have been convicted of a
0250 felony under the laws of any state or of the United States prior to
0251 or during employment by the commission.

0252 (3) The executive director shall: (A) Recommend to the com-
0253 mission the number and qualifications of employees necessary to
0254 implement and enforce the provisions of this act; (B) employ
0255 persons for those positions approved by the commission, subject
0256 to the limitations of appropriations therefor; and (C) perform
0257 such other duties as directed by the commission.

0258 (b) (1) The commission shall appoint an inspector of parimu-
0259 tuels to serve at the pleasure of the commission.

0260 (2) The inspector of parimutuels shall: (A) Be in the unclas-
0261 sified service under the Kansas civil service act; (B) devote full
0262 time to the inspector's assigned duties; (C) receive such com-
0263 pensation as determined by the commission, subject to the
0264 limitations of appropriations therefor; (D) be a citizen of the
0265 United States and an actual resident of Kansas during employ-
0266 ment by the commission; and (E) not have been convicted of a
0267 felony under the laws of any state or of the United States prior to

Rolfs

J

Attachment J.

0232 working at a racetrack facility passes to which the tax imposed by
0233 this section shall not apply. The issuance of such passes is
0234 subject to rules and regulations of the commission and a list of all
0235 persons to whom such passes are issued shall be filed with the
0236 commission.

0237 New Sec. 25. (a) The power to regulate, license and tax the
0238 management, operation and conduct of and participation in horse
0239 racing and greyhound racing, and parimutuel wagering thereon
0240 and racetrack facilities therefor, is hereby vested exclusively in
0241 the state.

0242 (b) Persons and entities licensed pursuant to this act, and
0243 their income, property and sales, shall be subject to taxation in
0244 accordance with the general tax laws of this state, any retailers'
0245 sales tax imposed pursuant to K.S.A. 12-187 *et seq.* or 79-3601 *et*
0246 *seq.*, and amendments thereto, any general local property tax
0247 levies and any general local business or occupation tax. No
0248 political subdivision shall ~~levy any additional tax upon the priv-~~
0249 ~~ilege of managing, operating, conducting or participating in such~~
0250 ~~racing, wagering or facilities.~~

: (1) Exempt such persons or entities, or their income, property, sales, business or occupation from any such tax, or abate any such tax which is applicable to such persons, entities, income, property, sales, business or occupation, unless such exemption or abatement is provided by statute or (2)

0251 (c) Persons and entities licensed pursuant to this act shall be
0252 subject to any general local business or occupation licensure
0253 requirements and fees but no political subdivision shall impose
0254 any additional licensure requirements or fees on the privilege of
0255 managing, operating, conducting or participating in horse or
0256 greyhound racing, or parimutuel wagering thereon or racetrack
0257 facilities therefor.

horse racing and greyhound racing, and parimutuel wagering thereon and racetrack facilities therefor

0258 New Sec. 26. (a) There is hereby created the state racing
0259 fund in the state treasury.

0260 (b) All admissions tax, application fees, license fees, fees for
0261 fingerprinting, fines and reimbursements for services of assistant
0262 animal health officers, stewards or racing judges which are
0263 collected by the commission shall be remitted to the state trea-
0264 surer, who shall deposit the entire amount in the state treasury
0265 and credit it to the state racing fund. All moneys credited to such
0266 fund shall be expended or transferred only for the purposes and
0267 in the manner provided by this act. Expenditures from such fund
0268 shall be made in accordance with appropriation acts upon war-

Amend

House Bill 2044 - Kansas Parimutuel Racing Act

Proposed Amendments

Prepared By:
D. Philip Wilkes, Staff Attorney
Kansas Department of Revenue

Proposal No. 1.

Add new paragraph to Section 4 to meet F.B.I. requirement for statutory authority to submit fingerprints for criminal records searches:

(k) The commission shall have authority to require fingerprinting of all persons necessary to verify qualification for all licenses issued pursuant to this act. The commission shall submit such fingerprints to the Kansas bureau of investigation and to the federal bureau of investigation for the purposes of verifying the identity of such persons and obtaining records of criminal arrests and convictions.

Proposal No. 2.

To provide for the disclosure of information regarding state income taxes for applicants for facility owner licenses and facility manager licenses, amend the Kansas Income Tax Act, K.S.A. 79-3234 to add the following new paragraph:

(f) Notwithstanding the provisions of this section, the secretary of revenue may communicate to the executive director of the Kansas racing commission information as to whether a person has failed to meet any tax obligation to the state of Kansas for the purpose of determining whether such person is eligible for a facility owner license or facility manager license pursuant to the Kansas parimutuel racing act.

Proposal No. 3.

To provide for disclosure of information regarding taxes other than income tax for applicants for facility owner licenses and facility manager licenses, amend K.S.A. 74-2424 to add the following paragraph:

(b) Notwithstanding the provisions of this section, the secretary of revenue may communicate to the executive director of the Kansas racing commission information as to whether a person has failed to meet any tax obligation to the state of Kansas for the purpose of determining whether such person is eligible for a facility owner license or facility manager license pursuant to the Kansas parimutuel racing act.