

Approved _____

Date

3/26/87

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. ~~p.m.~~ on March 24, 1987 in room 254-E of the Capitol.

All members were present except:

Senator Vidricksen was excused.

Committee staff present:

Emalene Correll, Legislative Research
Mary Galligan, Legislative Resesarch
Mary Torrence, Assistant Revisor of Statutes
June Windscheffel, Secretary to the Committee

Conferees appearing before the committee:

Mr. Phil Wilkes, Kansas Department of Revenue

The Chairman stated that the Committee would take up the matter of the pari-mutuel proposal, HB 2044. He said that Mr. Phil Wilkes has prepared an excellent Summary, History and Issues Paper dated March 20, 1987, (Attachment #1), concerning the Kansas Parimutuel Racing Act.

Mr. Wilkes briefed the Committee as it worked its way through the paper. The Committee will begin with Section 13 - organization licenses to conduct racing, at its meeting tomorrow.

Senator Morris moved that the Minutes of March 19, 1987, be approved. Seconded by Senator Bond. The motion carried.

The meeting was adjourned at noon.

07
3/24/87
Attachment #1
Continued
3/25/87

Kansas Parimutuel Racing Act

House Bill No. 2044

As Amended By House Committee of the Whole

Summary, History and Issues

Revised 3/20/87

Prepared By:

D. Philip Wilkes
Staff Attorney
Kansas Department of Revenue

Attachment #1
FSA 3/24/87

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Explanation of Sources Referred to in Histories

DOR - Department of Revenue

KPM - Kansans For Parimutuel - a lobbying group composed of horse and Greyhound owners and breeders, existing track operators and track developers.

Task Force - State Task Force on Parimutuel created by Executive Order 86-86 which submitted proposed legislation on 11/5/86.

Interim Comm. - Special Interim Legislative Committee

House Comm. - House Federal and State Affairs Committee

Senate Comm. - Senate Federal and State Affairs Committee

Section 1 - Title and scope of act

Summary:

The laws will be referred to as the "Kansas Parimutuel Racing Act." They apply to all horse racing, whether or not parimutuel wagering is involved, and to Greyhound racing when parimutuel racing is involved. The act gives the Racing Commission authority to regulate racing dates of all horse racing so that conflicts can be minimized, where possible, between parimutuel racing and non-parimutuel racing. The Commission will not regulate non-parimutuel Greyhound racing, however, because this is not expected to create conflicts.

History:

Was Section 1 of the Task Force draft. Taken from Sections 1 and 3 of the KPM draft.

Section 2 - Definitions

Summary:

This section defines certain "terms of art" used throughout the other sections, including:

Breakage
Concessionaire license
Dual racetrack facility
Facility manager licensee
Facility owner license
Financial interest
Kansas-bred horse
Kansas-whelped greyhound
Minus pool
Nonprofit
Occupation licensee
Organization licensee
Parimutuel pool
Parimutuel wagering
Race meeting
Racetrack facility
Takeout

History:

Was Section 2 of the Task Force draft. Most of it was taken from Section 2 of the KPM draft and from the KPM letter dated 10/17/86. The definition of "breakage" is essentially the same as used in California, Iowa, Massachusetts, Missouri and New Jersey. The Interim Comm. changed the residency requirement for "Kansas-whelped Greyhound" from 12 to 6 months. The House Comm. made clarifications to the descriptions of who may hold facility manager and facility owner licenses and to the definitions of "nonprofit" and "organization licensee." The House Comm. also added a definition of "thoroughbred horse" but it was deleted by the House Committee of the Whole. The House Committee of the Whole added a definition for "dual racetrack facility."

Section 3 - Creation of the commission

Summary:

This section creates the racing commission and specifies the qualifications, terms of office, compensation, etc. The commission is composed of five members appointed by the Governor with the consent of the Senate.

Issues:

How many members should there be, the length of term of office, and how much expertise should they have in the horse and Greyhound racing industries. Of the 13 states reviewed by the Task Force, the number of commissioners varied from 3 to 9, with the average being 5.4.

History:

Was Section 3 of the Task Force draft. Most of it was taken from Sections 5 and 6 of the KPM draft. Some came from Section 3 of the DOR draft. The Interim Comm. eliminated the requirement for three of the commission members to be knowledgeable about the horse or Greyhound racing industries. The House Comm. eliminated the requirement that one commission member be experienced in the horse racing and breeding industries and one commission member be experienced in the Greyhound racing and breeding industries.

Section 4 - Powers and duties of the commission.

Summary:

This section enumerates the specific powers and duties of the commission. Some of the more significant include:

- Inspect all racetrack facilities.
- Examine records of licensees.
- Allocate race meeting dates.
- Exclude undesirable persons from racetrack facilities.
- Review and approve all proposed construction and major renovations of racetrack facilities.
- Suspend horses and Greyhounds from racing if found to have violated laws or regulations.
- Consider appeals from rulings of stewards and racing judges.
- Adopt rules and regulations for testing licensees for use of controlled substances.
- Fingerprint all persons necessary to verify qualification for licensure.
- Adopt rules and regulations regarding the use of animals for training Greyhounds.

Issues:

The major issue in this section is the use of live lures (primarily rabbits) for training greyhounds.

History:

Was Section 4 of the Task Force draft. Taken from Section 4 of the DOR draft and Section 13 of the KPM draft. Subsection (i) is very similar to the Oklahoma law, Sec. 204(B)(2) and (3). The House Comm. added Subsection (j) regarding drug testing of licensees and Subsection (k) regarding fingerprinting of licensees. The House Committee of the Whole added Subsection (l) regarding adoption of rules and regulations relating to use of animals in training Greyhounds.

Section 5 - Employees of the commission.

Summary:

This section provides for several specific employees of the commission as well as an unpaid advisory committee. The employees include the following:

An executive director appointed by the Governor with confirmation by the Senate and serving at the pleasure of the Governor. The executive director hires the other members of the staff subject to approval of the commission and appropriation limitations.

An inspector of parimutuels to inspect and audit the parimutuel wagering operations of the licensees and supervise auditors hired to assist in these functions.

A director of security to conduct investigations of licensees and recommend security measures to the commission and to licensees conducting races and operating racetrack facilities. This person must have a law enforcement background and will supervisor field investigators who will have law enforcement officer status while performing their official duties.

An attorney to assist in matters other than criminal enforcement, including review of proposals for the construction of major racetrack facilities are being considered and the drafting of commission rules and regulations.

The aforementioned employees will be unclassified. All other commission employees not specified as unclassified will serve in the classified service.

Issues:

The major issues in this section include whether the executive director should be appointed by the commission or by the governor and whether the commission should have an attorney to handle civil matters in addition to the assistant attorney general who will assist in enforcement of the criminal provisions of the act.

History:

Was part of Section 3 of the Task Force draft. Some of it was taken from Sections 7, 8 and 9 of the KPM draft. Subsections (d), (e) and (g) were drafted by the Task Force. Subsection (d) was deleted by the House Comm. but restored by the House Committee of the Whole. The House Comm. changed the appointment of the executive director from the commission to the Governor with consent of the Senate.

Section 6 - Animal health officers and assistants

Summary:

This section provides for the commission to hire a full-time animal health officer and part-time assistants as needed. They must all be veterinarians. The animal health officer will supervise the assistants and provide advice to the commission on animal health matters. The assistants will do examinations of animals at the racetracks and conduct tests for drugs. The animal health officer and assistants may administer certain specific substances to racing animals at the racetrack upon the request of the owner or trainer of the animals. The commission may require the organization licensees to reimburse the state for compensation paid to the assistant animal health officers for their work done at the racetracks. This is a common practice in the racing industry.

The commission may contract for additional medical services if needed with any state institution which teaches animal health science. The commission must contract for the analysis of samples for drug testing with a laboratory facility in Kansas.

History:

Was Section 25 of the Task Force draft. Most of it was taken from Section 10 of the KPM draft. Paragraph (g) was drafted by the Task Force and modified by the Interim Comm. by substituting "one or more laboratory facilities within this state" in place of "laboratory facilities at Kansas State University". Paragraph (d) was added by the House Comm. to provide for the administration of all medications to horses and Greyhounds at the racetrack facility by the assistant animal health officers, so that there is no reason for other persons to have the necessary paraphernalia in their possession within the racetrack facility.

Section 7 - Law enforcement authority

Summary:

This section provides that the director of security and field investigators designated by the commission will have law enforcement authority while performing their official duties. All employees designated as law enforcement officers and who will be authorized to carry firearms must complete the state firearms training course as currently required of other law enforcement personnel in Kansas.

History:

Was Section 8 of the Task Force draft. Taken from Section 8 of the DOR draft.

Section 8 - Bonds

Summary:

Members, employees and appointees of the commission, including contract labor, are to be covered by surety bonds as established by the state committee on surety bonds and insurance. The cost is to be paid by the commission.

History:

Was subsection (i) of Section 3 of the Task Force draft but made a separate section by the Revisor. Drafted by the Task Force.

Section 9 - Assignment of assistant attorney general

Summary:

This section provides for the attorney general to appoint an assistant attorney general to assist the commission with enforcement of the criminal provisions of this act. This provision is similar to that now existing with the assistant attorney general assigned to the A.B.C. Division of the Department of Revenue.]

History:

Was Section 5 of the Task Force draft. Taken from Section 5 of the DOR draft and Section 11 of the KPM draft. Similar to the provision for an assistant attorney general currently in the A.B.C. statutes. The House Comm. amended to provide for two assistant attorneys general and made it clear that they were to be paid by the racing commission. However, the House Committee of the Whole changed the number of assistant attorneys general back to one.

Section 10 - Prohibited acts and criminal penalties

Summary:

This section prohibits certain activities by commission members and employees, members of their families, licensees and the general public. Most violations are class A misdemeanors, but some are class E felonies. Activities prohibited include the following:

Financial involvement of commission members and organization licensee officers, directors and members in racetrack facilities.

Relatives of commission members and employees holding licenses issued by the commission.

Officers, directors and members of organization licensees, other than county fair associations, being involved in ownership or management of facility owner licensees, facility manager licensees or concessionaire licensees.

Facility owner licensees and facility manager licensees from having an ownership interest in any animals racing at their facility or betting on any races conducted at their facility.

Selling parimutuel wagering tickets to minors.

The purchase of a parimutuel racing ticket by a minor.

Transmitting or delivering bets from persons outside the racetrack

facility.

Possession of or administering any drug or substance to stimulate or depress or effect the speed of a horse or Greyhound.

Possession within a racetrack facility of any equipment for administering any medication or drug to a horse or Greyhound.

Entering a horse or Greyhound in a race for which it is ineligible or in the wrong class or under a different name.

Use of any dog, cat or fowl in the training of Greyhounds.

Bribing or attempting to bribe any person to alter the natural outcome of any race.

Providing false information in the registration of any horse or Greyhound.

Passing or attempting to pass any parimutuel wagering ticket knowing the same to be altered or forged.

Issues:

There are two major issues. One relates to restrictions on possession within the racetrack facility of paraphernalia to administer medication or drugs to horses and Greyhounds, and what is an appropriate level of punishment for such an act if prohibited. The other issue relates to the use of live animals for lures in training Greyhounds.

History:

Was Section 6 of the Task Force draft. Most of the subsections were taken from Section 6 of the DOR draft and Section 5 of the KPM draft. The House Comm. made several changes, including prohibitions on conflicts of interest relating to officers, directors and members of organization licensees and officers, directors and employees of facility owner and manager licensees, and to the penalties for certain first time violations relating to administration of drugs to horses and Greyhounds or otherwise artificially affecting their speed during a race. The commission was given power to establish certain policies with regard to administration of medication and drugs. The House Committee of the Whole made several more changes, primarily relating to the use of live animals for training Greyhounds.

Section 11- Drugs and medication

Summary:

This section provides for drug testing of horses and Greyhounds at the racetrack and places limits on what types of substances may be administered to the animals. Violations are subject to criminal penalties under Section 10 of this act.

Issues:

There is considerable disagreement within the horse racing industry as to whether all drugs and medications should be prohibited or whether the Commission ought to be given the discretion to set permissible levels of certain medications by rule and regulation. The bill as it now stands strikes a compromise between the two extremes.

History:

Was Section 19 of the Task Force draft. Taken from Section 32 of the KPM draft. The House Comm. added several provisions liberalizing the drug and medication prohibitions and giving the Commission power to establish levels for certain medications and substances. The House Committee of the Whole made a change to one of the restrictions so that it is based upon the length of the race rather than to the type of horse.

Section 12 - Eligibility of horses and greyhounds

Summary:

This section provides minimum ages for horses and Greyhounds to compete in races and authorizes the Commission to establish eligibility requirements for Kansas-bred horse races.

History:

Was Section 20 of the Task Force draft. The Interim Comm. changed the minimum age for racing Greyhounds from 16 to 15 months.

Section 13 - Organization licenses to conduct racing

Summary:

This section specifies the procedures and qualifications for non-profit organizations to obtain racing licenses. Applicants must be non-profit corporations organized under Kansas law. Among the requirements for licensure are the payment of a non-refundable application fee and disclosure of all agreements relating to racetrack facilities, concessions, and services. Limitations are imposed on organizations other than county fair associations as to how they may distribute their net earnings from racing. Restrictions are placed upon the stockholders, directors and employees of licensees with regard to criminal convictions. The commission may issue licenses for up to 10 years but licenses are subject to annual review by the commission. Licensees other than county fair associations must submit annual financial audit reports prepared by an independent certified accountant. The commission may revoke or suspend a license or assess a fine of not more than \$5,000 for violation of any provision of this act or any rule and regulation adopted by the commission. Organization licensees may contract with other entities for the use and/or management of racetrack facilities but all such contracts must be submitted to the Commission for advance approval. Certain factors are specified for the Commission to use in evaluating competing proposals for the conduct of races. Organization licensees must actually conduct the racing and parimutuel wagering operations themselves.

History:

Was Section 9 of the Task Force draft. Most of this section was taken from Section 9 of the DOR draft and Sections 14, 18, 21, 23 and 24 of the KPM draft. The Interim Comm. deleted the exclusion in subsection (b)(7) of stockholders, directors and officers of licensed organizations who have been found to be mentally ill. The Interim Comm. also increased the maximum term of licensure from 10 to 25 years and deleted the provisions in subsections (e)(3) and (e)(5) relating to input from county commissions. The House Comm. made a number of additions, including the addition of subsection (c) relating to the use of profits and activities of officers, directors and members, and subsection (p) relating to the personal liability of directors and officers of organization licensees. The House Committee of the Whole added subsection (q) relating to the construction of racetrack facilities and subsections (r) and (s) relating to the construction and operation of dual facilities.

h-d-07

Section 14 - Fees for fair associations and National Greyhound Assoc.

Summary:

This section permits the Commission to establish lower application and license fees for certain types of organizations, as follows:

The Greenwood County Fair Association for races approved by the Commission at Eureka Downs.

The Anthony Fair Association for races approved by the Commission at Anthony Downs.

Other fair associations and the National Greyhound Association for races conducted within the county where such organization is located if the organization conducts no more than two race meetings per year for a total of not more than 21 days per year.

History:

Was Section 16 of the Task Force draft. Taken from Section 29 of the KPM draft.

Section 15 - Facility owner and facility manager licenses ✓

Summary:

This section provides for the licensing of persons or businesses which want to construct, own or manage racetrack facilities to be used by organizations conducting horse and/or Greyhound racing. Certain restrictions are placed on persons involved with regard to financial responsibility and criminal convictions. The Commission may issue licenses for up to ten years. Licenses may be revoked or suspended for violations of the provisions of this act or of rules and regulations adopted by the Commission, however the licensee will be given 30 days in which to cure any violation which can be cured.

History:

Was Section 17 of the Task Force draft. Taken from the KPM letter of 10/17/86 and modified by the Task Force to include a 30-day cure provision and increase the term of license for facility manager licenses from 3 to 10 years, which is what the KPM recommended for facility owner licenses. The Interim Comm. increased the maximum term of licensure for both types of licenses from 10 to 25 years. However, the House Comm. changed it back to 10 years and also added subsection (g) relating to proof of financial ability. The House Committee of the Whole added subsection (h) relating to construction of dual facilities.

Amendment:
Sen. Armstrong
Ranks on Fair
Sen. Hester
Exemption
for Hottel
group

Section 16 - Occupation licenses ✓

Summary:

This section provides procedures and qualifications for the licensure of all persons in occupations associated with the racing of horses and Greyhounds and for the owners of such animals. This is one of the essential elements in controlling who is involved in the racing activities and who has access to the animals at the racetrack facilities. All applicants will be fingerprinted for positive identification and criminal records checked at the state and national level. Also, checks can be done through a national clearing house for non-criminal violations of racing laws and regulations in other states. Fingerprinting is necessary in this case because a high percentage of such persons are transient and not known to local residents and law enforcement agencies. It is anticipated that the Commission will issue each licensee a photo ID badge which the licensee must wear at all times while within the racetrack facility. The commission may establish license fees by regulation and issue licenses for up to 3 years. The Commission may require applicants to reimburse the cost of fingerprinting processing, and it is assumed that this will be done. the cost may be as high as \$24 per applicant.

History:

Was Section 24 of the Task Force draft. Taken from Sections 16 and 17 of the KPM draft. The Interim Comm. deleted the exclusion of persons with a history of mental illness.

Section 17 - Concessionaire licenses ✓

Summary:

This section requires that all concessions businesses which operate within a racetrack facility be licensed by the Commission. The procedures and qualifications are similar to those for occupation licensees. Licenses may be issued for up to 10 years and the fee is set by the Commission based upon the type and size of business. This provision is another element needed to identify and control persons working within the racetrack facilities who might have access to the racing animals or who might be used to skim profits from the nonprofit organization licensees.

History:

Was Section 29 of the Task Force draft. This section was drafted by the Task Force following language in the section on occupation licenses. The Interim Comm. increased the maximum term of licensure from 5 to 25 years. The House Comm. changed the term back to 10 years to correspond with the terms of other licenses.

Section 18 - Stewards and racing judges

Summary:

This section provides for the qualification, appointment and work activities of stewards for horse races and racing judges for Greyhound races. The stewards and racing judges will be seasonal, contract labor and will be accountable to and paid by the Commission. The Commission may require the organization licensees to reimburse them for the compensation paid to the stewards and racing judges, and it is assumed that the Commission do so. These system works better than having the stewards and racing judges work for the racetracks, because it provides stronger control for the Commission and reduces the possibility of inappropriate influence by the organization licensees.

History:

Was Section 26 of the Task Force draft. Taken from Section 12 of the KPM draft. It is essentially identical to the California and Oklahoma statutes. The House Comm. provided that reimbursements from licensees for compensation paid to stewards and racing judges be credited to the racing reimbursable expense fund rather than the state racing fund.

Section 19 - Parimutuel wagering permitted

Summary:

This section permits parimutuel wagering on horse and Greyhound races when approved by the Commission. The wagering must be conducted by the organization licensee and take place completely within the racetrack facility. The organization licensee may retain up to 18% of each parimutuel pool, from which is must pay state taxes and purses to winners. The balance is paid out to winning ticket holders. The Commission may authorize a higher "take-out" up to 22% of pools involving multiple or exotic bets. Licensees may not permit wagers to be made on credit. All parimutuel tellers and clerks must be employees of the organization licensee and must be approved by the Commission.

History:

Was Section 14 of the Task Force draft. Some of the subsections were taken from Section 14 and parts of Sections 20 and 22 of the KPM draft. The House Committee of the Whole made a small clarifying addition to subsection (c).

Section 20 - Payment of purses

Summary:

This section specifies the minimum purses that must be paid by organization licensees to the winners of each race. The amounts to be paid are put in terms of fractions of the "take-out" rather than as a percentage of the total parimutuel pool, so that the purses will share proportionally when larger take-outs are authorized by the Commission on multiple and exotic bets. It is customary for the purses for Greyhounds to be smaller than for horses because of the lower cost of raising and racing Greyhounds.

History:

Was Section 18 of the Task Force draft. Taken from 38 of the KPM draft. The Task Force changed the minimum purses from a percentage of the pool to a fraction of the take-out.

Section 21 - Breakage

Summary:

This section provides for the disposition of the breakage from each parimutuel pool. The breakage is the name given to the odd cents left over from payouts to winning ticket holders because it is customary to round such payouts down to the next lower multiple of ten cents. This is done so that the parimutuel tellers do not have to handle pennies and can thus make the payouts more quickly. These odd cents from all of the payouts are accumulated and used for special purposes which vary considerably from state to state. In this section, the breakage from parimutuel wagering on horse racing is remitted monthly by the organization licensee to the state where it is credited to the Kansas Horse Breeding Development Fund. The breakage from parimutuel wagering on Greyhound racing is distributed by the organization licensee to supplement open stakes races as approved by the Commission and to stakes paid to breeders of Kansas-whelped Greyhounds pursuant to Commission rules and regulations.

History:

Was Section 27 of the Task Force draft. Taken from Section 27 of the KPM draft. The House Comm. made one clarification to subsection (c)(2).

Section 22 - Unclaimed winning tickets

Summary:

This sections provides a procedure for holders of winning parimutuel tickets to make claims for payment within 60 days after the race meeting ends. After 60 days, the money held by the organization licensees for unclaimed tickets must be remitted to the state for credit to the respective breeding development fund.

History:

Was Section 28 of the Task Force draft. Taken from parts of Section 28 of the KPM draft.

Section 23 - Tax on parimutuel wagering

Summary:

This section imposes a tax on all parimutuel wagering. The tax is specified as a fraction of the take-out rather than as a percentage of the parimutuel pool so that the effective tax rate increases proportionally with the take-out when the Commission authorizes a higher take-out for pools involving multiple and exotic bets. As this section now reads, the tax is 3/18ths of the take-out for races held at horse tracks or combination horse and Greyhound tracks. The tax is 5/18ths for races held at Greyhound tracks. The tax is typically higher for Greyhound tracks because the purses for Greyhounds are lower than for horses, and therefore the state can take a higher tax while permitting the licensee to keep the same proportion of the take-out as for horses. The taxes are to be remitted by the organization licensee on a daily basis and credited to the state racing fund.

There has been considerable disagreement among different factions of the horse and Greyhound racing industry regarding the difference in tax rates for horses and Greyhounds. The disagreements appear to center around the issue of how much gross profit is needed by organization licensees to finance the construction of new racetrack facilities.

History:

Was Section 10 of the Task Force draft. Taken from Section 10 of the DOR draft. The Task Force changed the tax from a percentage of the pool to a fraction of the take-out. The House Comm. provided for the tax rate applicable to horse racing also apply to all racing at tracks with both horse and Greyhound racing. The House Comm. also added a new paragraph providing for the Commission to permit the lower tax rate for racing at Greyhound tracks which are approved for construction of a horse racing track. The House Committee of the Whole replaced the wording relating to tracks with both horse and Greyhound racing with the words "dual racetrack facility" and added that term to the definition section.

Section 24 - Tax on admission charges

Summary:

This section provides for a 10% tax on charges for admission to racetrack facilities. The tax is remitted daily to the state and credited to the state racing fund.

History:

Was Section 11 of the Task Force draft. Taken from part of Section 26 of the KPM draft.

Section 25 - State pre-emption; imposition of other taxes or fees

Summary:

This section prohibits the imposition of any special tax or fee on parimutuel racing by any political subdivision of the state. It also prohibits any tax exemption or abatement for parimutuel racing which is not specifically provided by state law.

History:

Was Section 23 of the Task Force draft. Taken from part of Section 26 of the KPM draft. It is similar to the Iowa statute, Sec. 99D14 (4) and (5). Technical changes made by the Revisor at the request of the Interim. Comm. The House Comm. added wording to clarify the intent of this section.

Section 26 - State racing fund

Summary:

This section creates a state racing fund, into which is placed all funds derived from parimutuel wagering taxes, admissions taxes, license application fees, license fees and fines collected by the Commission. Funds not needed to pay Commission operating expenses as appropriated by the Legislature are transferred to the state gaming revenues fund in July 15 of each year and at such other times as may be provided by law.

History:

Was Section 7 of the Task Force draft. Taken from Sections 12 and 13 of the DOR draft. The House made changes to provide for the parimutuel taxes to be credited to this fund rather than to the state gaming revenues fund and to indicate that reimbursed expenses from licensees are to be credited to the reimbursable expense fund.

Section 27 - State racing reimbursable expense fund

Summary:

This section creates a state racing reimburseable expense fund, into which is placed all funds collected from licensees for reimbursement for compensation paid to stewards, racing judges and assistant animal health officers, and for the processing of fingerprints. The fund will operate like a revolving fund. Since these expenses comprise a major portion of the variable expense associated with conducting races, then the Commission will not be strictly limited in the number of racing days it can allocate to licensees by the operating budget appropriated by the Legislature each year. Racing Commissions in some other states have had to cancel racing days when they have run short of appropriated operating funds toward the end of their fiscal year.

History:

New section added by the House Comm. at the request of the DOR.

Section 28 - Kansas horse racing breeding development fund

Summary:

This section creates a special fund to promote the horse breeding industry in Kansas. Funds are credited to the fund from the breakage and unclaimed winning tickets for horse races. The funds are expended within legislative appropriations limitations for various specified purposes.

History:

Was part of Section 21 of the Task Force draft. Taken from Section 30 of the KPM draft.

Section 29 - Registration of horses

Summary:

This section authorizes the Commission to establish by rule and regulation qualifications for participation in Kansas-registered stallion awards and for the registration of Kansas-domiciled mares and stallions and Kansas-bred horses. The commission may designate an official registering agency and set the registration fees. The Commission may also designate and contract with an agency to distribute purse supplements, stakes and awards from the Kansas Horse Breeding Development Fund.

History:

Was part of Section 21 of the Task Force draft. Taken from Section 30 of the KPM draft. The House Comm. and the House Committee of the Whole both made changes to clarify the procedure for the distribution of purse supplements, stakes and awards from the Kansas horse breeding development fund.

Section 30 - Kansas greyhound breeding development fund

Summary:

This section creates a special fund to promote the Greyhound breeding industry in Kansas. Funds are credited to the fund from the unclaimed winning tickets for Greyhound races. The funds are expended within legislative appropriations limitations for research relating to the prevention of injury and disease of Greyhounds and for supplemental purses in races for Kansas-whelped Greyhounds as approved by the Commission.

History:

Was Section 22 of the Task Force draft. Taken from parts of Sections 28 and 30 of the KPM draft. The House Comm. combined the two distributions of funds relating to research and removed the specific percentages for each category of distribution.

Section 31 - Registration of greyhounds

Summary:

This section authorizes the Commission to designate an official registering agency for Kansas-whelped Greyhounds and set the registration fees. The commission may also designate and contract with an agency for the distribution of purse supplements from the Kansas Greyhound Breeding Development Fund.

History:

New section added by the House Comm. Subsection (c) was added by the House Committee of the Whole.

Section 32 - Racing of Kansas-whelped greyhounds; location of kennels

Summary:

This section specifies certain qualifications for participation in races for Kansas-whelped Greyhounds and provides for the Commission to specify additional qualifications by rule and regulation. This section also provides that if an organization licensee contracts with kennels to provide Greyhounds for racing, then at least 50% of such kennels must be located within Kansas.

History:

New section added by the House Comm.

Section 33 - Amendment to criminal gambling statute

Summary:

This section amends K.S.A. 21-4302 to exempt parimutuel wagering conducted in accordance with this act from the definitions of bets and consideration.

History:

Drafted by the Revisor for the bill.

Section 34 - Amendment to code of care of children

Summary:

This section is a technical amendment to K.S.A. 38-1502 to prohibit parimutuel wagering by minors even though permitted by adults.

History:

Drafted by the Revisor for the bill.

Section 35 - Amendment to juvenile offenders code

Summary:

This section is a technical amendment to K.S.A. 38-1602 to prohibit parimutuel wagering by minors even though permitted by adults.

History:

Drafted by the Revisor for the bill.

Section 36 - Amendment to statute restricting release of confidential
income tax information

Summary:

This section amends K.S.A. 74-2424 to permit the Secretary of Revenue to disclose to the Executive Director of the Kansas Racing Commission information regarding the status of income taxes of applicants for facility owner licenses and facility manager licenses. This provision is needed to make available information which is otherwise confidential.

History:

Drafted by DOR and added by the House Comm.

Section 37 - Amendment to law enforcement training statute

Summary:

This section amends K.S.A. 74-5602 to include law enforcement agents of the Kansas Racing Commission in the definition of law enforcement officer for the purposes of providing training at the state law enforcement training center.

History:

Drafted by the Revisor for the bill.

Section 38 - Amendment to statute restricting release of confidential
sales and excise tax information

Summary:

This section amends K.S.A. 79-3234 to permit the Secretary of Revenue to disclose to the Executive Director of the Kansas Racing Commission information regarding the status of taxes, other than income tax, of applicants for facility owner licenses and facility manager licenses. This provision is needed to make available information which is otherwise confidential.

History:

Drafted by the DOR and added by the House Comm.

Section 39 - Repealer

Summary:

This section repeals statutes amended by other sections of this bill.

History:

Drafted by the Revisor for the bill.

Section 40 - Effective date

Summary:

This act takes effect upon its publication in the Kansas Register.

History:

Was Section 30 of the Task Force draft. Taken from Section 40 of the KPM draft.