

Approved _____

3/4/88
Date

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS

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

11:00 a.m. ~~pm~~ on March 3, 1988 in room 254-E of the Capitol.

All members were present ~~except~~

Committee staff present:

Mary Galligan, Legislative Research
Mary Torrence, Assistant Revisor of Statutes
June Windscheffel, Committee Secretary

Conferees appearing before the committee:

Mr. David Johnson, Director, Kansas Bureau of Investigation

The Chairman announced that there were three measures before the Committee this morning for staff briefing: HB2772, concerning parimutuel racing; drug testing, licenses, dual facilities; HB2773, concerning payment for expenses of investigating certain applicants for licensure under Kansas parimutuel racing act; and HB2774, concerning the racing commission; criminal records used to determine licensure qualifications.

A Memorandum dated March 2, 1988, from Legislative Research, concerning Amendments to the Parimutuel Racing Act (Attachment #1), was before the Committee. The Memorandum pertains to these three bills that would amend various provisions in the Kansas Parimutuel Racing Act. In each case the amendments were requested by the Kansas Racing Commission. Staff reviewed the Memorandum for the Committee. There was Committee discussion.

Mr. David Johnson, Director, Kansas Bureau of Investigation, was also present. He assisted in answering questions posed by the Committee. Concerning HB2774, Director Johnson offered to share the forms used by the K.B.I. in its check of background information for applicants for licensure. To show the questions and the information required by the Bureau.

The Chairman thanked Ms. Galligan, Ms. Torrence, and Director Johnson for their presentations and briefing.

Tomorrow the Committee will meet for hearings and possible action on the above bills, as well as a substitute for HB2776, concerning procedures for denial of certain licenses by the racing commission.

The meeting was adjourned at noon.

MEMORANDUM

March 2, 1988

TO: Senate Committee on Federal and State Affairs
FROM: Kansas Legislative Research Department
RE: Amendments to the Parimutuel Racing Act

The following paragraphs describe three bills that would amend various provisions in the Kansas Parimutuel Racing Act. In each case the amendments were requested by the Kansas Racing Commission.

H.B. 2772, as Amended by House Committee on
Federal and State Affairs

The bill would make several amendments to the Parimutuel Racing Act.

1. The Racing Commission would be authorized to contract with laboratory facilities outside Kansas for analyses necessary to determine whether racing animals are in compliance with drug and medication regulations. The Commission would be required to give preference to laboratories located in Kansas.
2. The Commission would be required to conduct an annual evaluation of facility owner and facility manager licensees to determine compliance with the Parimutuel Racing Act. More frequent evaluations could be conducted by the Commission at the Commission's initiative or if requested by an interested party. Facility owner and facility manager licensees would also be required to file a certified annual financial audit with the Commission and to provide other information necessary for review.
3. A provision would be added that would require a transfer to the State General Fund to pay back, with interest, any amount appropriated from that fund for operation of the Racing Commission. Transfers to the State General Fund would be authorized by appropriations acts.
4. Language would be added to clarify the penalty provision for licensees who do not complete construction of dual racetracks approved by the Commission.

H.B. 2773, as Amended by House Committee on
Federal and State Affairs

The bill would require the Racing Commission to charge certain license applicants for the cost of pre-licensure investigations. The additional fees, if any, would be assessed against applicants for organization licenses and facility

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Attachment #1*

owner or facility manager licenses. The Commission would be prohibited from issuing a license until all such fees were paid.

The bill would create the racing investigative expense fund as the repository for the fees collected. The Commission would be required to pay all investigation expenses from the fund including those expenses incurred by other state agencies that assist in an investigation.

The bill was introduced at the request of the Kansas Racing Commission to provide a mechanism by which license applicants, rather than the Commission's operating fund, would bear the cost of pre-licensure investigations. The amendments making the additional charges mandatory and prohibiting the Commission from licensing an individual prior to payment of all investigation costs were made at the request of the Commission.

H.B. 2774, as Amended by House Committee on
Federal and State Affairs

The bill would authorize the Racing Commission to recess into a closed or executive meeting to receive and discuss criminal history background investigation information about applicants for licensure. Negotiations with applicants regarding criminal history information could also be held in closed session.

The bill would make disclosure of information received in closed session a class A misdemeanor and grounds for removal from office, termination of employment or denial, revocation or suspension of any license issued by the Commission. However, disclosure of such information at a hearing held under the authority of the Kansas Parimutuel Racing Act would not be prohibited.

The bill was introduced at the request of the Kansas Racing Commission. The purpose of the bill is to allow the Commission access to certain criminal history information that it could not otherwise receive because the Commissioners are not law enforcement officers. The Committee amendments were also proposed by the Commission to clarify the purpose of the bill.