

MINUTES OF THE HOUSE COMMITTEE ON FEDERAL AND STATE AFFAIRS

The meeting was called to order by Representative Kathleen Sebelius at
Chairperson

1:30 ~~xxx~~/p.m. on Tuesday, February 4, 1992 in room 526-S of the Capitol.

All members were present except:

Representative Barbara Allen - Excused Representative Dick Edlund - Excused
Representative Joan Wagnon - Excused

Committee staff present:

Lynne Holt, Kansas Legislative Research Department
Mary Galligan, Kansas Legislative Research Department
Mary Ann Torrence, Office of the Revisor of Statutes
Connie Craig, Secretary to the Committee

Conferees appearing before the committee:

Christina Ross, Kansas Department of Health and Environment
Dana Nelson, Executive Director, Kansas Racing Commission

Chair Sebelius began the meeting with the continuation of the hearings on HB 2699 and HB 2700.

Attachment #1 is written testimony presented in favor of HB 2700 from Melissa Ness who was unable to be present.

Christina Ross explained that she met with Laura Kelly, the main proponent of HB 2699 to identify areas that were of concern, and be able to strengthen the language of the bill. In this process, it was discovered that both sides are not so far apart, and we are recommending the opponents and proponents of this bill work out a solution that does comply with the intent of the Special Committee on Children's Initiatives, which is to remove the inappropriate barriers to these types of programs addressed in this bill.

Chair Sebelius asked that Peggy Scally from Lawrence, Kansas, and Shirley Norris, KAEYC, be included in these discussions. One Committee member asked that the Fire Marshall be included in the conversation, also.

The Committee discussed the difference of enforcement of regulations between schools and licensed day care programs.

Representative Douville moved that Chirstina Ross, Kansas Department of Health and Environment, report back to the Committee on the resolution of the issues raised in HB 2699 by February 18, 1992. Representative Lawrence made a second to the motion, which passed on a voice vote.

HB 2690

Representative Graeber moved to pass HB 2690 favorably. Representative Hamilton made a second to the motion.

One Committee member raised the concern with language on line 40, section 1C, on page 1 of HB 2690, and asked whether "meeting on call" is in conflict with Legislative Coordinating Council(LCC) regulations regarding out of town meetings?

Another Committee member asked if it was true that you can't get paid for an out of town meeting without LCC approval?

One Committee member suggested language for a friendly amendment to clarify LCC approval.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON FEDERAL AND STATE AFFAIRS

room 506-S, Statehouse, at 1:30 ~~am~~ p.m. on Tuesday, February 4, 1992.

Chair Sebelius asked Representative Graeber and Representative Hamilton if they had objection to adding that language to the motion, and maybe staff could figure out specific language that would require LCC approval for any out of town meetings, making the motion somewhat conceptual?

Representative Graeber and Representative Hamilton agreed to staff adding the specific language regarding LCC approval for out of town meetings, and the motion passed on a voice vote.

HB 2697

Representative Baker moved to report favorably HB 2697. Representative Lawrence made a second to the motion.

There was discussion among Committee members about the methodology of the cost/benefit analysis. It was suggested that this cost/benefit analysis be integrated with an existing model that K-Tech, in conjunction with Kansas University, is currently developing to be done in June. It was pointed out Nebraska had abandoned this project. It was suggested deleting the phrase that talks about cost/benefit analysis on line 39 on Page 1 of HB 2697.

Chair Sebelius determined the Committee had come to a consensus to delay action on the bill.

HB 2700

Representative Rock made a motion to report favorably HB 2700. Representative Jones made a second to the motion.

One Committee member expressed concern with the Ex Parte order, and the court, upon motion or application, can hold a youngster for 72 hours. There was concern with the heavy burden on S.R.S., and the possibility of holding a child for six days without a hearing. There was discussion about whether the extra 24 hours would make that much difference in long term placement of children.

Chair Sebelius asked the Committee for a voice vote on the favorable passage of HB 2700. Upon a voice vote, the Chair is in doubt, and asked for a vote by show of hands. By a show of hands, the motion to report favorably HB 2700 fails.

SB 383

Vice-Chair Khrebiel reported that the Subcommittee would like to offer amendments to SB 383, Attachment #2.

Chair Sebelius brought to the attention of the Committee, written testimony from the Kansas Quarter Horse Racing Association, Attachment #3, and Kansas Bureau of Investigation(KBI), Attachment #4.

Dana Nelson, Executive Director, Kansas Racing Commission, explained the drafted amendments to SB 383, Attachment #2.

Some Committee members expressed concern about precluding different groups from being represented, and how this will affect Indian Casino Gambling.

Representative Krehbiel made a motion to adopt the proposed amendments in Attachment #2 to SB 383. Representative Ramirez made a second to the motion, which passed on a voice vote.

One Committee member requested a summary from staff on how many states have Indian casino gambling and parimutual racing. Chair Sebelius explained that staff has been working on this type of report.

The Committee discussed the definition of off-track betting. Chair Sebelius pointed out page 2 of the bill has a definition.

Mary Torrence, Revisor of Statutes Office, asked about language, page 7, in lines 17 and 18, which talks about 50% of net proceeds going to simulcast licensee or organizational licensee. Would the 50% going to the organizational licensee have to be distributed to charities as provided under the organizational licensee under current statute?

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON FEDERAL AND STATE AFFAIRS,
room 526-S, Statehouse, at 1:30 ~~xxx~~ p.m. on Tuesday, February 4, 1992

One Committee member asked if these balloons represent a cooperative effort on the part of the greyhound people and the horse people to accommodate one another? Mr. Nelson and Mr. Whitney Damron, representing Wichita Greyhound Park, agreed the balloon amendments are supported by both the horse and greyhound people.

Representative Krehbiel made a motion to report SB 383 as amended favorable for passage. Representative Hamilton made a second to the motion.

Chair Sebelius, in reply to a question from staff, stated that Representative Krehbiel's motion incorporates striking amended sections from last year and inserting the new language.

Representative Sprague made a substitute motion to pass over SB 383 as this time. Representative Charlton made a second to the motion.

Some Committee members expressed opposition to the substitute motion.

Representative Ramirez called for the question of the substitute motion.

Representative Sprague withdrew his substitute motion to pass over SB 383 with permission of Representative Charlton who made a second to the motion.

Chair Sebelius stated the Committee would return to the original motion to report SB 383 favorable.

The question of the motion was called by a Committee member. Upon a voice vote, the Chair is in doubt. By a show of hands, the motion to report SB 383 as amended favorable passes 11 to 8.

Representative Jones made a motion to approve minutes for January 22, 1992. Representative Smith made a second to the motion, which passes on a voice vote.

Chair Sebelius announced that Committee will meet in Room 519-S the 5th and 6th of February, 1992, and there will also be a special joint meeting with Senate Federal and State Affairs in Room 313-S, Old Supreme Court Room, over the noon hour on Indian Gaming Issues. Chair Sebelius adjourned the meeting.

GUEST LIST

FEDERAL & STATE AFFAIRS COMMITTEE

DATE ~~Feb~~ February 4, 1992

(PLEASE PRINT)
NAME

ADDRESS

WHO YOU REPRESENT

Karen S. Tolle 3650 NW Menoken Rd - Topeka / KQHRA
CATHY WHITAKER KQHRA - TOPEKA

Patricia All Lindsay ~~Mo~~ KQHE, ORL

Patricia Garland LSOB KDH+E-ACC

Jim McBride Topeka Observer

John Kell KOME

Shuly Norris ~~KQHE~~ - 131 Greenwood Topeka KA EYC

Ches Bess KQHE KQHE LSOB

LAURA KELLY KRPA Topeka

Ken Bentley KSBE Topeka

John Roberts Topeka KS Lottery

Derieth L. Sutton Topeka Kansas Lottery

Annalyn Tabaker McPherson McPherson County

Joy Waddell McPherson McPherson County

Diane Patrick McPherson McPherson County

Sydney Hardman Lawrence KS Action for Children

Barbara Cole Topeka KNEA



... to protect
and promote the
well-being of children
... to strengthen
the quality of
family life
—since 1893

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League of America

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Accreditation of Services
for Families & Children

**Testimony before House Federal and State Affairs
February 3, 1992**

**HB 2700 Amending the code for the care of
children; relating to protective custody.**

**By: Melissa Ness JD,MSW Director of
Advocacy/General Counsel**

KANSAS CHILDREN'S SERVICE LEAGUE is a statewide not
for profit agency serving children and families.
We have offices in Garden City, Wichita, Emporia,
Manhattan, Topeka, and Kansas City. Services
delivered through those sites are driven by needs
of a given community as well as our capacity to
provide quality services. Those services include
the broad categories of:

- >Foster Care
- >Family Preservation
- >Respite Care
- >Head Start
- >Adoption Search
- >Shawnee County Youth Emergency Shelter

Other services include our Black Family
Preservation project, pregnancy counseling, parent
adolescent mediation and Keys for Safe Kids a
program aimed at reuniting children and their
families after a child has run away from home. We
also will soon be opening a Children's Shelter in
Shawnee County.

True to our mission of "protecting and
strengthening the quality of family life" we
support of HB 2700 with the following comments and
recommendations:

>HB 2700 should be seen as a mechanism which
increases the probability and opportunity for
children and families to receive appropriate
intervention and support during a crisis.

We believe extending the time of protective custody
for children from 48 hours to 72 hours maximizes
the likelihood he or she will receive services most
suited to the needs of the child. Too often,
decisions made in haste, due to pressure of keeping
the child safe, do not adequately address those
needs. Giving this margin to those key players
making such decisions, could allow time to
more clearly identify a range of options. In

over

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Attachment #1

otherwords it would increase the likelihood that "reasonable efforts" are undertaken before a determination is made to place a child in the custody of SRS.

>HB 2700 maintains the integrity of the safeguards incorporated within the code.

Although twenty-four hours for a child in protective custody may create additional stress for the child, it could allow a more accurate assessment of the circumstances which led to protective custody. In the long run, this extension could aid in avoiding decisions made on faulty information or a decision to remove the child from the custody of the parents because it was the only option at the time. Having those additional business hours gives the social worker time to explore more possibilities for services. In the end it could actually result in less long term stress on the child.

>HB 2700 is but one component of a larger plan toward improving the child welfare system in Kansas.

This statutory change must be placed in perspective. Although it provides additional time to accurately assess a given situation and access services, it must not be viewed as a panacea. This extension will do nothing to increase available services; it will only provide an opportunity to maximize existing resources. For this reason it should also not be viewed as a way to drastically decrease the numbers of children who go into substitute care. If this change is implemented, its effect should be closely monitored.

SUMMARY

Although we support HB 2700, rest assured we will not be back next year asking for an extension to 96 hours for protective custody. We strongly believe there are limits to this strategy. Simultaneously, we must increase local service options in the public and private sector, work with families to find a safe placement with another family member or community member, and accurately assess that a child is safer in an out of home placement.

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#1-2

1 racing.

2 (h) "Financial interest" means an interest that could result di-
3 rectly or indirectly in receiving a pecuniary gain or sustaining a
4 pecuniary loss as a result of ownership or interest in a business
5 entity or activity or as a result of a salary, gratuity or other com-
6 pensation or remuneration from any person.

7 (i) "Greyhound" means any greyhound breed of dog properly
8 registered with the national greyhound association of Abilene,
9 Kansas.

10 (j) "Host facility" means the racetrack at which the race is run
11 or, if the race is run in a jurisdiction which is not participating in
12 the interstate combined wagering pool, the racetrack or other facility
13 which is designated as the host facility.

14 (k) "Host jurisdiction" means the jurisdiction where the host fa-
15 cility is located.

16 (l) "Interstate combined wagering pool" means a parimutuel pool
17 established in one jurisdiction which is combined with comparable
18 parimutuel pools from one or more racing jurisdictions for the pur-
19 pose of establishing the amount of money returned on a successful
20 wager in the participating jurisdictions.

21 (m) "Intrastate combined wagering pool" means a parimutuel
22 pool which is combined with comparable parimutuel pools from one
23 or more racetrack facilities for the purpose of establishing the amount
24 of money returned on a successful wager at the participating race-
25 track facilities.

26 (n) "Kansas-whelped greyhound" means a greyhound whelped
27 and raised in Kansas for the first six months of its life.

28 (o) "Minus pool" means a parimutuel pool in which, after
29 deducting the takeout, not enough money remains in the pool to
30 pay the legally prescribed minimum return to those placing winning
31 wagers, and in which the organization licensee would be required
32 to pay the remaining amount due.

33 (p) "Nonprofit organization" means:

34 (1) A corporation which is incorporated in Kansas as a not-for-
35 profit corporation pursuant to the Kansas general corporation code
36 and the net earnings of which do not inure to the benefit of any
37 shareholder, individual member or person; or

38 (2) a county fair association organized pursuant to K.S.A. 2-125
39 et seq. and amendments thereto.

40 (q) "Occupation licensee" means a person licensed by the
41 commission to perform an occupation or provide services which the
42 commission has identified as requiring a license pursuant to this act.

43 (r) "Organization licensee" means a nonprofit organization

() "Intertrack wagering" means wagering on a simulcast race at a licensed racetrack facility or at a facility which is licensed in its racing jurisdiction to conduct live races.

() "Off-track wagering" means wagering on a simulcast race at a facility which is not licensed in its jurisdiction to conduct live races.

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1 licensed by the commission to conduct races pursuant to this act
 2 , if the license so provides, to construct or own a racetrack facility.
 3 (e) (s) "Parimutuel pool" means the total money wagered by
 4 individuals on one or more horses or greyhounds in a particular
 5 horse or greyhound race to win, place or show, or combinations
 6 thereof, as established by the commission, and, *except in the case*
 7 *of an interstate or intrastate combined wagering pool*, held by the
 8 organization licensee pursuant to the parimutuel system of wagering.
 9 There is a separate parimutuel pool for win, for place, for show and
 10 for each of the other forms of betting provided for by the rules and
 11 regulations of the commission.

12 (p) (t) "Parimutuel wagering" means a form of wagering on the
 13 outcome of horse and greyhound races in which those who wager
 14 purchase tickets of various denominations on one or more horses or
 15 greyhounds and all wagers for each race are pooled and the winning
 16 ticket holders are paid prizes from such pool in amounts proportional
 17 to the total receipts in the pool.

18 (q) (u) "Race meeting" means the entire period of time for which
 19 an organization licensee has been approved by the commission to
 20 hold horse or greyhound races at which parimutuel wagering is
 21 conducted or to hold horse races at which parimutuel wagering is
 22 not conducted.

23 (v) "Racing jurisdiction" or "jurisdiction" means a governmental
 24 jurisdiction which is responsible for the regulation of parimutuel
 25 racing in that jurisdiction and which is a member of the association
 26 of racing commissioners international.

27 (r) (w) "Racetrack facility" means a racetrack within Kansas used
 28 for the racing of horses or greyhounds, or both, including the track
 29 surface, grandstands, clubhouse, all animal housing and handling
 30 areas, other areas in which a person may enter only upon payment
 31 of an admission fee or upon presentation of authorized credentials
 32 and such additional areas as designated by the commission.

33 (x) "Recognized kennel owners' group" means the duly recognized
 34 group elected by a majority of the Kansas licensed kennel owners
 35 at the racetrack facility.

36 (y) "Recognized horsemen's group" means the duly recognized
 37 group, representing the breeds of horses running at the race-
 38 track facility, elected by a majority of the licensed owners or
 39 owner trainers at the racetrack facility a duly recognized group
 40 representing Kansas licensed owners and owner/trainers of all breeds
 41 of horses running at any racetrack facility and approved by the
 42 commission as a duly authorized horsemen's group.

"Simulcast" means a live audio-visual broadcast of an actual

live or simulcast

authority

live or simulcast

greyhound

greyhound

the duly recognized group, representing the breeds of horses
 running at a racetrack facility, elected by a majority of the
 licensed owners and trainers at the racetrack facility. If the
 licensee does not have a recognized horsemen's group, the
 commission shall designate as the recognized horsemen's group
 one that serves another organization licensee, but not one that
 serves a county fair association organization licensee.

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1 horse or greyhound race at the time it is run.
2 (s) (aa) "Takeout" means the total amount of money withheld
3 from each parimutuel pool for the payment of purses, taxes and the
4 share to be kept by the organization licensee. Takeout does not
5 include the breakage. The balance of each pool less the breakage is
6 distributed to the holders of winning parimutuel tickets.

7 New Sec. 2. (a) Any organization licensee that conducts at least
8 one live race meeting 150 days of live racing during a calendar
9 year may apply to the commission for a simulcasting license to display
10 simulcast horse or greyhound races and to conduct parimutuel wag-
11 gering thereon. If the organization licensee conducts races at a race-
12 track facility that is owned by a facility owner licensee, both licensees
13 shall join in the application.

14 A simulcasting license granted to a county fair association
15 shall authorize display of the simulcast of live performances
16 conducted within this state without regard to the number of
17 live performances conducted by such fair association, but such
18 license shall restrict the county fair association's display of the
19 simulcast of live performances conducted outside this state to
20 a number not more than twice the number of live performances
21 conducted by such fair association.

22 (b) (1) A simulcasting license shall authorize the display of si-
23 mulcast races only on days when live races are conducted at the
24 racetrack facility where the simulcast races are displayed. If a si-
25 mulcasting licensee conducts live horse races on a day when simulcast
26 races are displayed by the licensee and the licensee conducts fewer
27 than 10 live horse races on such day, not less than 80% of the races
28 on which wagers are taken by the licensee during such day shall be
29 live races conducted by the licensee. If a simulcast licensee conducts
30 live greyhound races on a day when simulcast races are displayed
31 by the licensee and the licensee conducts fewer than 13 live grey-
32 hound races during a performance on such day, not less than 80%
33 of the races on which wagers are taken by the licensee during such
34 performance shall be live races conducted by the licensee.

35 (2) Notwithstanding the provisions of subsection (b)(1), if an
36 emergency causes the cancellation of all or any live races scheduled
37 for a day or performance by a simulcasting licensee, the commission
38 or the commission's designee may authorize the licensee to display
39 any simulcast races previously scheduled for such day or
40 performance.

41 (3) Notwithstanding the provisions of subsection (b)(1), the com-
42 mission, on application by a simulcasting licensee, may authorize the
43 licensee to display simulcast special racing events approved by the

or a county fair association which conducts fewer than 22 days of live racing during a calendar year

intertrack

A simulcasting license granted to a county fair association that conducts fewer than 22 days of live racing shall restrict the county fair association's display of simulcast races to a number of days, including days on which it conducts live horse races, not more than twice the number of days on which it conducts live races.

granted to an organization licensee other than a county fair association

live conducted

(2) A simulcasting license granted to a county fair association shall authorize the display of simulcast races at the racetrack facility where the races are conducted only if live races are scheduled for two or more days of the same calendar week subject to the following exception. The licensee may conduct simulcast races in the week immediately before and immediately after the live meeting only if the total number of days on which simulcast races are displayed does not exceed the total authorized in subsection (a). However, in no case shall the live meet or simulcast races allowed under this subsection exceed nine consecutive weeks. For purposes of this subsection, a calendar week shall be measured from Monday through the following Sunday.

(3) Notwithstanding the provisions of subsection (a) or (b) (1) and (2) a county fair association may apply to the commission for up to five additional days of simulcasting of special events. In addition, a county fair association may be granted additional simulcast races by the commission, but if such county fair association is fewer than one hundred miles from an organization licensee that is not a county fair association, it must also secure written consent from that organization licensee.

(4) for such day or performance.

(5) as designated by the commission.

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1 ~~commission.~~

2 (b) (c) The application for a simulcasting license shall be filed
3 with the commission at a time and place prescribed by rules and
4 regulations of the commission. The application shall be in a form
5 and include such information as the commission prescribes.

6 (e) (d) To qualify for a simulcasting license the applicant shall:

7 (1) Comply with the interstate horse racing act of 1978 (15 U.S.C.
8 3001 *et seq.*) as in effect December 31, ~~1990~~;

1991

9 (2) submit with the application a written approval of the proposed
10 simulcasting schedule signed by the recognized kennel owners'
11 group, if the applicant conducts greyhound races, or signed by
12 the recognized horsemen's group, if the applicant conducts
13 horse races. If the applicant conducts both greyhound races
14 and horse races, the applicant shall submit with the application
15 a written approval of the proposed simulcasting schedule
16 signed by the recognized kennel owners' group, if greyhound
17 races are to be simulcast, or by the recognized horsemen's
18 group, if horse races are to be simulcast. If the applicant con-
19 ducts both greyhound races and horse races and the proposed
20 simulcasting schedule includes a related series of races of grey-
21 hounds, to be displayed while the licensee is conducting live
22 racing of horses, or of horses, to be displayed while the licensee
23 is conducting live racing of greyhounds, the commission shall
24 require the submission of a written approval of the proposed
25 simulcasting schedule signed by the recognized group then
26 participating in live racing: (A) *The recognized horsemen's group*
27 *for the track, if the applicant is licensed to conduct only horse races;*
28 *(B) the recognized kennel owners' group, if the applicant is licensed*
29 *to conduct only greyhound races and only greyhound races are to*
30 *be simulcast; (C) both the recognized kennel owners' group and a*
31 *recognized horsemen's group, if the applicant is licensed to conduct*
32 *only greyhound races and horse races are to be simulcast; (D) the*
33 *recognized kennel owners' group, if the applicant is licensed to con-*
34 *duct both greyhound and horse races, only greyhound races are to*
35 *be simulcast and races are to be simulcast only while the applicant*
36 *is conducting live greyhound races; (E) the recognized horsemen's*
37 *group for the track, if the applicant is licensed to conduct both*
38 *greyhound and horse races, only horse races are to be simulcast*
39 *and races are to be simulcast only while the applicant is conducting*
40 *live horse races; or (F) both the recognized kennel owners' group*
41 *and the recognized horsemen's group for the track, if the applicant*
42 *is licensed to conduct both greyhound races and horse races and*
43 *horse races are to be simulcast while the applicant is conducting*

greyhound

greyhound

greyhound

greyhound

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1 such changes are approved by the respective recognized kennel
2 owners' group or recognized horsemen's group needed throughout
3 the term of the license. Application shall be made upon forms fur-
4 nished by the commission and shall contain such information as the
5 commission prescribes.

← greyhound

6 (g) Except as provided by subsection (j), the takeout for simulcast
7 horse and greyhound races shall be the same as it is for the live
8 races conducted during the current or next live race meeting at the
9 racetrack facility where the simulcast races are displayed. For si-
0 mulcast races the tax imposed on amounts wagered shall be as pro-
1 vided by K.S.A. 1990 Supp. 74-8823 and amendments thereto. The
2 simulcasting licensee shall be entitled to retain sufficient revenue to
3 pay expenses directly related to the display and promotion of the
4 simulcast races *simulcast race or performance*. The commission,
5 by rules and regulations, shall define what constitutes such expenses.
6 Of the balance of the takeout remaining after deduction of taxes and
7 expenses, 50% shall be paid to the racetrack facility *simulcasting*
8 licensee. The remainder shall be used for purses, as follows:

← horse and greyhound

9 (1) ~~Unless otherwise agreed to by the recognized kennel~~
0 ~~owners' group,~~ for purses for greyhound races conducted by the
1 licensee, ~~if the simulcast race is a greyhound race and the licensee~~
2 ~~conducts live greyhound races;~~

only

3 (2) ~~unless otherwise agreed to by the recognized horsemen's~~
4 ~~group,~~ for purses for horse races conducted by the licensee, ~~if the~~
5 ~~simulcast race is a horse race and the licensee conducts live horse~~
6 ~~races;~~

only

both the recognized horseman's group and the recognized greyhound owner's group

7 (3) for purses for ~~greyhound races,~~ as determined by ~~the com-~~
8 ~~mission,~~ if the simulcast race is a greyhound race and the licensee
9 does not conduct live greyhound races; or

or is not currently conducting

0 (4) for purses for ~~horse races,~~ as determined by ~~the commission,~~
1 if the simulcast is a horse race and the licensee does not conduct
2 live horse races.

both the recognized horseman's group and the recognized greyhound owner's group

3 (h) Except as provided by subsection (j):

or is not currently conducting

4 (1) If a simulcasting licensee has a license to conduct live horse
5 races and the licensee displays a simulcast horse race, breakage and
6 unclaimed winning ticket proceeds shall be distributed in the manner
7 provided by K.S.A. 1990 Supp. 74-8821 and 74-8822, and amend-
8 ments thereto, for breakage and unclaimed winning ticket proceeds
9 from live horse races.

0 (2) If a simulcasting licensee has a license to conduct live grey-
1 hound races and the licensee displays a simulcast greyhound race,
2 breakage and unclaimed winning ticket proceeds shall be distributed
3 in the manner provided by K.S.A. 1990 Supp. 74-8821 and 74-8822,

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1 and amendments thereto, for breakage and unclaimed winning ticket
2 proceeds from live greyhound races.

3 (3) If a simulcasting licensee has a license to conduct live racing
4 of only horses and the licensee displays a simulcast greyhound race,
5 ~~breakage and unclaimed winning ticket proceeds shall be distributed~~
6 ~~for use to benefit greyhound racing as determined by the com-~~
7 ~~mission at the time the simulcasting license is granted in the~~
8 ~~manner provided by K.S.A. 1990 Supp. 74-8821 and 74-8822, and~~
9 ~~amendments thereto, for breakage and unclaimed winning ticket pro-~~
10 ~~ceeds from live greyhound races.~~

11 (4) If a simulcasting licensee has a license to conduct live racing
12 of only greyhounds and the licensee displays a simulcast horse race,
13 breakage and unclaimed winning ticket proceeds shall be distributed
14 for use to benefit horse racing as determined by the commission
15 at the time the simulcasting license is granted in the manner
16 provided by K.S.A. 1990 Supp. 74-8821 and 74-8822, and amend-
17 ments thereto, for breakage and unclaimed winning ticket proceeds
18 from live horse races.

19 (i) The commission may approve a request by two or more si-
20 mulcasting licensees to combine wagering pools within the state of
21 Kansas pursuant to rules and regulations adopted by the commission.

22 (j) (1) The commission may authorize any simulcasting licensee
23 to participate in an interstate combined wagering pool with one or
24 more other racing jurisdictions.

25 (2) If a licensee participates in an interstate pool, the licensee
26 may adopt the takeout of the host jurisdiction or facility, except that
27 the takeout shall not be more than 20% on win, place and show
28 bets and not more than 25% on all other bets. The amount and
29 manner of paying purses from the takeout in an interstate pool shall
30 be as provided by subsection (g).

31 (3) The tax imposed on amounts wagered in an interstate pool
32 shall be as provided by K.S.A. 1990 Supp. 74-8823 and amendments
33 thereto. Parimutuel taxes may not be imposed on any amounts wag-
34 ered in an interstate combined wagering pool other than amounts
35 wagered within this jurisdiction.

36 (4) Breakage for interstate combined wagering pools shall be cal-
37 culated in accordance with the statutes and rules and regulations of
38 the host jurisdiction and shall be allocated among the participating
39 jurisdictions in a manner agreed to among the jurisdictions. Breakage
40 allocated to this jurisdiction shall be distributed as provided by sub-
41 section (h).

42 (5) Upon approval of the respective recognized ~~kennel~~ greyhound
43 group or recognized horsemen's group, the commission may permit

Breakage for such races shall be distributed for use to benefit greyhound racing as determined by the commission.

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1 an organization licensee to simulcast to other racetrack facilities or
2 facilities in other jurisdictions one or more races conducted by such
3 licensee, use one or more races conducted by such licensee for an
4 intrastate combined wagering pool or use one or more races con-
5 ducted by such licensee for an interstate combined wagering pool
6 at locations outside the commission's jurisdiction and may allow pari-
7 mutuel pools in other jurisdictions to be combined with parimutuel
8 pools in the commission's jurisdiction for the purpose of establishing
9 an interstate combined wagering pool.

off-track wagering or intertrack wagering

10 (6) The participation by a simulcasting licensee in a combined
11 interstate wagering pool does not cause that licensee to be considered
12 to be doing business in any jurisdiction other than the jurisdiction
13 which the licensee is physically located.

off-track wagering or intertrack wagering

14 (k) This section shall be part of and supplemental to the Kansas
15 parimutuel racing act.

16 *Sec. 3. K.S.A. 1990 Supp. 74-8804 is hereby amended to read*
17 *as follows: 74-8804. (a) The commission and its designated employees*
18 *may observe and inspect all racetrack facilities operated by licensees*
19 *and all racetracks simulcasting races to racetrack facilities in Kansas,*
20 *including but not limited to all machines, equipment and facilities*
21 *used for parimutuel wagering, whether or not race meetings are*
22 *being conducted at the time.*

23 (b) *Commission members and hearing officers designated by the*
24 *commission may administer oaths and take depositions to the same*
25 *extent and subject to the same limitations as would apply if the*
26 *deposition was in aid of a civil action in the district court.*

27 (c) *The commission may examine, or cause to be examined by*
28 *any agent or representative designated by the commission, any books,*
29 *papers, records or memoranda of any licensee, or of any racetrack*
30 *or business involved in simulcasting races to racetrack facilities in*
31 *Kansas, for the purpose of ascertaining compliance with any pro-*
32 *vision of this act or any rule and regulation adopted hereunder.*

33 (d) *The commission may issue subpoenas to compel access to or*
34 *for the production of any books, papers, records or memoranda in*
35 *the custody or control of any licensee or officer, member, employee*
36 *or agent of any licensee, or to compel the appearance of any licensee*
37 *or officer, member, employee or agent of any licensee, or of any*
38 *racetrack or business involved in simulcasting races to racetrack*
39 *facilities in this state, for the purpose of ascertaining compliance*
40 *with any of the provisions of this act or any rule and regulation*
41 *adopted hereunder. Subpoenas issued pursuant to this subsection*
42 *may be served upon individuals and corporations in the same manner*
43 *provided in K.S.A. 60-304 and amendments thereto for the service*

1 to the holders of winning tickets. A decision of the commission which
 2 would affect the distribution of purses in any race shall not result
 3 in a change in that distribution unless a written claim is submitted
 4 to the commission within 48 hours after completion of the contested
 5 race by one of the owners or trainers of a horse or greyhound which
 6 participated in such race and a preponderance of evidence clearly
 7 indicates to the commission that one or more of the grounds for
 8 protest, as provided for in rules and regulations of the commission,
 9 has been substantiated.

10 (j) (k) The commission, after notice and a hearing in accordance
 11 with rules and regulations adopted by the commission, may impose
 12 a civil fine not exceeding ~~\$2500~~ \$5000 for each violation of any provision
 13 of this act, or any rule and regulation of the commission, for which
 14 no other penalty is provided.

15 (~~k~~) (l) The commission shall adopt rules and regulations speci-
 16 fying and regulating:

17 (1) Those drugs and medications which may be administered,
 18 and possessed for administration, to a horse or greyhound within
 19 the confines of a racetrack facility; and

20 (2) that equipment for administering drugs or medications to
 21 horses or greyhounds which may be possessed within the confines
 22 of a racetrack facility.

23 (~~l~~) (m) The commission may adopt rules and regulations provid-
 24 ing for the testing of any licensees of the commission, and any
 25 officers, directors and employees thereof, to determine whether they
 26 are users of any controlled substances.

27 (~~m~~) (n) The commission may require fingerprinting of all persons
 28 necessary to verify qualification for any license, including a simul-
 29 casting license, issued pursuant to this act. The commission shall
 30 submit such fingerprints to the Kansas bureau of investigation and
 31 to the federal bureau of investigation for the purposes of verifying
 32 the identity of such persons and obtaining records of criminal arrests
 33 and convictions.

34 (~~n~~) (o) The commission may receive from the Kansas bureau of
 35 investigation or other criminal justice agencies such criminal history
 36 record information (including arrest and nonconviction data), crim-
 37 inal intelligence information and information relating to criminal and
 38 background investigations as necessary for the purpose of deter-
 39 mining qualifications of licensees of the commission and applicants
 40 for licensure, including applicants for simulcasting licenses, by the
 41 commission. Disclosure or use of any such information received by
 42 the commission, or of any record containing such information, for
 43 any purpose other than that provided by this subsection is a class

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1 appointee of the commission, or any spouse, parent, grandparent,
2 brother, sister, child, grandchild, uncle, aunt, parent-in-law, brother-
3 in-law or sister-in-law thereof, to:

- 4 (1) Hold any license issued by the commission; or
- 5 (2) enter into any business dealing, venture or contract with an
6 owner or lessee of a racetrack facility in Kansas.

7 (d) It is a class A misdemeanor for any officer, director or member
8 of an organization licensee, other than a county fair association, to:

- 9 (1) Receive, for duties performed as an officer or director of such
10 licensee, any compensation or reimbursement or payment of ex-
11 penses in excess of the amounts provided by K.S.A. 75-3223 and
12 amendments thereto for board members' compensation, mileage and
13 expenses; or
- 14 (2) enter into any business dealing, venture or contract with the
15 organization licensee or, other than in the capacity of an officer or
16 director of the organization licensee, with a facility owner licensee,
17 facility manager licensee or concessionaire licensee *or with any host*
18 *facility for a simulcast race displayed in this state.*

19 (e) It is a class A misdemeanor for any facility owner licensee or
20 facility manager licensee, or any officer, director or employee thereof,
21 to participate directly or indirectly as an owner, owner-trainer or
22 trainer of a horse or greyhound, or as a jockey of a horse, entered
23 in a race meeting conducted in this state.

24 (f) It is a class A misdemeanor for any licensee of the commission,
25 or any person who is an officer, director, member or employee of
26 a licensee, to place a wager on an entry in a horse or greyhound
27 race conducted at, ~~or a simulcast race displayed at, a racetrack facility~~
28 ~~where the licensee is authorized to engage in licensed activities~~ if
29 the commission has by rules and regulations designated such person's
30 position as a position which could influence the outcome of such
31 race,

32 (g) It is a class B misdemeanor for any person to use any animal
33 or fowl in the training or racing of racing greyhounds.

34 (h) It is a class A misdemeanor for any person to:

- 35 (1) Sell a parimutuel ticket or an interest in such a ticket to a
36 person knowing such person to be under 18 years of age, upon
37 conviction of the first offense;
- 38 (2) accept, transmit or deliver, from a person outside a racetrack
39 facility, anything of value to be wagered in any parimutuel system
40 of wagering within a racetrack facility, upon conviction of the first
41 offense;

42 (i) administer or conspire to administer any drug or medication
43 to a horse or greyhound within the confines of a racetrack facility

live

at a racetrack facility located in Kansas

if such race is conducted at or simulcast to the racetrack facility where
the licensee is authorized to engage in licensed activities.

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1 (7) possess or conspire to possess, within the confines of a race-
2 track facility, any drug or medication for administration to a horse
3 or greyhound in violation of rules and regulations of the commission,
4 upon conviction of the second or a subsequent offense;

5 (8) possess or conspire to possess, within the confines of a race-
6 track facility, equipment for administering drugs or medications to
7 horses or greyhounds in violation of rules and regulations of the
8 commission, upon conviction of the second or a subsequent offense;

9 (9) sponge the nostrils or windpipe of a horse for the purpose
10 of stimulating or depressing such horse or affecting its speed at any
11 time during a race meeting conducted by an organization licensee;

12 (10) alter or attempt to alter the natural outcome of any race
13 conducted by, *or any simulcast race displayed by*, an organization
14 licensee;

15 (11) influence or attempt to influence, by the payment or promise
16 of payment of money or other valuable consideration, any person to
17 alter the natural outcome of any race conducted by, *or any simulcast*
18 *race displayed by*, an organization licensee;

19 (12) influence or attempt to influence any member, employee or
20 appointee of the commission, by the payment or promise of payment
21 of money or other valuable consideration, in the performance of any
22 official duty of that member, employee or appointee;

23 (13) fail to report to the commission or to one of its employees
24 or appointees knowledge of any violation of this act by another person
25 for the purpose of stimulating or depressing any horse or greyhound,
26 or affecting its speed, at any time during any race conducted by an
27 organization licensee;

28 (14) commit any of the following acts with respect to the prior
29 racing record, pedigree, identity or ownership of a registered horse
30 or greyhound in any matter related to the breeding, buying, selling
31 or racing of the animal: (A) Falsify, conceal or cover up, by any
32 trick, scheme or device, a material fact; (B) make any false, fictitious
33 or fraudulent statement or representation; or (C) make or use any
34 false writing or document knowing that it contains any false, fictitious
35 or fraudulent statement or entry; or

36 (15) pass or attempt to pass, cash or attempt to cash any altered
37 or forged parimutuel ticket knowing it to have been altered or forged.

38 (j) No person less than 18 years of age shall purchase a parimutuel
39 ticket or an interest in such a ticket. Any person violating this
40 subsection shall be subject to adjudication as a juvenile offender
41 pursuant to the Kansas juvenile offenders code.

42 (k) Possession of any device described in subsection (i)(5) by any-
43 one within the confines of a racetrack facility shall be prima facie

{ or transmit or receive an altered race or delayed broadcast race
if parimutuel wagering is conducted or solicited after off time
of the race.

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1 approval a copy of each contract and agreement which the organi-
2 zation licensee proposes to enter into and any proposed modification
3 of any such contract or agreement, including but not limited to those
4 involving:

- 5 (1) Any person to be employed by the organization licensee;
- 6 (2) any person supplying goods and services to the organization
7 licensee, including management, consulting or other professional
8 services;
- 9 (3) any lease of facilities, including real estate or equipment or
10 other personal property; or
- 11 (4) the operation of any concession within or adjacent to the
12 racetrack facility.

13 The commission shall reject any such contract or agreement which
14 violates any provision of this act or rules and regulations of the
15 commission, which provides for payment of money or other valuable
16 consideration which is clearly in excess of the fair market value of
17 the goods, services or facilities being purchased or leased or which,
18 in the case of a contract or agreement with a facility owner licensee
19 or a facility manager licensee, would not protect the organization
20 licensee from incurring losses due to contractual liability.

21 (o) Organization licensees shall not by lease, contract, agreement,
22 understanding or arrangement of any kind grant, assign or turn over
23 to any person the parimutuel system of wagering described in K.S.A.
24 1987 1990 Supp. 74-8819 and amendments thereto or the operation
25 and conduct of any horse or greyhound race to which such wagering
26 applies, but this subsection shall not prohibit the organization li-
27 censee from contracting with and compensating others for providing
28 services in connection with the financing, acquisition, construction,
29 equipping, maintenance and management of the racetrack facility;
30 the hiring and training of personnel; ~~and the promotion of the facility;~~
31 *operation and conduct of a simulcast race displayed by a simulcasting*
32 *licensee; and parimutuel wagering at racetrack facilities ~~and at fa-~~*
33 *ilities in other jurisdictions to which live races conducted by the*
34 *organization licensee are simulcast.*

; and parimutuel wagering
off-track wagering and intertrack wagering

35 (p) An organization licensee shall not in any manner permit a
36 person other than such licensee to have a share, percentage or
37 proportion of money received from parimutuel wagering at the race-
38 track facility except as specifically set forth in this act, except that:

- 39 (1) A facility owner licensee may receive gross percentage rental
40 fees under a lease if all terms of the lease are disclosed to the
41 commission and such lease is approved by the commission; ~~and~~
- 42 (2) a person who has contracted with an organization licensee to
43 provide one or more of the services permitted by subsection (o) may

The Kansas Quarter Horse Racing Association

P.O. Box 2008 • Topeka, Kansas 66601 • (913) 233-1984

February 3, 1992

Kathleen Sebelius, Chairperson
Members of the Committee
House of Representatives
Federal and State Affairs Committee
State Capitol Building
Topeka, Kansas

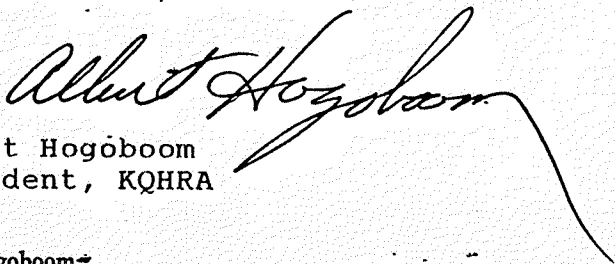
The Board of Directors of the Kansas Quarter Horse Racing Association has previously taken formal action to support simulcast legislation in the State of Kansas. Since that time many amendments have been attached to the bill that we have concerns with.

Kansas is the 5th largest breeder of registered quarter horses in the nation. The economic impact of the Quarter Horse racing industry in Kansas is estimated between \$25 and \$35 million annually. We are very concerned that our interests are represented at the horse facilities in Kansas. Therefore, the definition of the recognized horsemen's group is very important.

The definition should include the representation of all breeds and have protection and simulcast rights for all horse facilities including fair associations facilities. There should also be a provision for a recall election if the elected group is not representing all breeds of horses running at the race track facility.

We recommend that a provision be put in this definition to protect all horse owners, trainers and breeders if the elected group does not conduct itself in accordance with its contract. We recommend that a sentence be added that the election will be set up in accordance with the procedures set out by Roberts Rules of Order and pursuant to guidelines approved by the Kansas Racing Commission.

Thank you for your time. If you have any questions please contact me at 316/321-1397 or 316/3321-3879. Our office in Topeka is the former Kansans for Parimutuel office. The office phone number is 913/233-1984.



Albert Hogoboom
President, KQHRA

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PRESIDENT, KQHRA
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Karen Tolle
EXECUTIVE SECRETARY, KQHRA
P.O. Box 2008, Topeka, Kansas 66601

(913) 233-1984
House Federal and State Affairs
February 4, 1992
Attachment # 3



JAMES G. MALSON
DIRECTOR

KANSAS BUREAU OF INVESTIGATION

DIVISION OF THE OFFICE OF ATTORNEY GENERAL

STATE OF KANSAS

1620 TYLER

TOPEKA, KANSAS 66612-1837

(913) 232-6000



ROBERT T. STEPHAN
ATTORNEY GENERAL

TESTIMONY

KYLE G. SMITH, ASSISTANT ATTORNEY GENERAL
KANSAS BUREAU OF INVESTIGATION
BEFORE THE HOUSE FEDERAL AND STATE AFFAIRS COMMITTEE
REGARDING SENATE BILL 383
JANUARY 28, 1992

Madam Chairperson and Members of the Committee:

I appear here neither as a proponent or opponent of Senate Bill 383. I appear on behalf of the Kansas Bureau of Investigation (KBI) merely to address some concerns we have noted in the bill. The KBI has been actively involved in ensuring the integrity of the racing industry in Kansas and feel we will have an equally important role if simulcasting is authorized. However, if this highly sophisticated method of gambling is used and the race tracks are given additional days to operate on what are now "dark" days, we believe this bill will have a fiscal impact on the resources of the KBI.

First would be the need for additional background investigations of corporations, suppliers and key personnel, seeking to be licensed to provide the equipment services and maintenance of the simulcasting facilities. Facilities in other states have received some form of licensure, but in many states that may amount to no more than a record check of the owner of record. Considerable time and effort by the Legislature, Racing Commission and KBI have gone into ensuring the integrity of Kansas racing. I believe the participants in Kansas would expect to be able to rely on similar integrity occurring in the races being shown in Kansas. We would suggest there be a disclosure requirement

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for corporations, partnerships, self-proprietorships and the directors, officers, partners and employees seeking to simulcast in this state.

The second concern, for which I do not have an answer, is whether the provisions in the bill concerning K.S.A. 74-8810(i)(10)(11), which make it a crime to attempt to alter or influence the natural outcome of a simulcast race, can grant Kansas courts legal jurisdiction against a jockey, for instance, in Arizona or Arkansas, who is not even aware that this race is being telecast into Kansas. Multiple jurisdictions involved in simulcasting will obviously make any investigations more expensive and difficult. Further, I do not see how we can, as written, reconcile paragraph (j)(6) of new section 2, page 9 of Senate Bill 383 with the subpoena power supposedly given under (d) of K.S.A. 74-8804, also on page 9. Simulcast participants should have a resident agent and corporate registration in Kansas.

Third, I would note that on page 9 of the bill it amends K.S.A. 74-8804(a), which does not include the authority for anyone other than the commission and its designated employees to observe and inspect racetracks and equipment involved in simulcasting in Kansas. We would respectfully suggest that law enforcement, or at least the KBI, be authorized in a like manner to conduct investigations. We are certainly not criticizing the Racing Commission security personnel or the track personnel involved; however, I think it is important for the public confidence in these races that some outside law enforcement agency be able to operate as a cross-check to avoid the appearance of impropriety.

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Fourth, I would suggest the \$250 fine authorized under K.S.A. 74-8804(k) is totally inadequate to serve as a deterrence to corporations and most individuals.

Fifth, on page 12 of the bill, K.S.A. 74-8810(b), prohibited acts, is not amended to include simulcast races. Similarly, section (c)(2) of K.S.A. 74-8810 concerns conflicts in business dealings by commissioners and their relatives and has not been amended to prohibit dealings with simulcast races.

I would be happy to stand for questions.

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