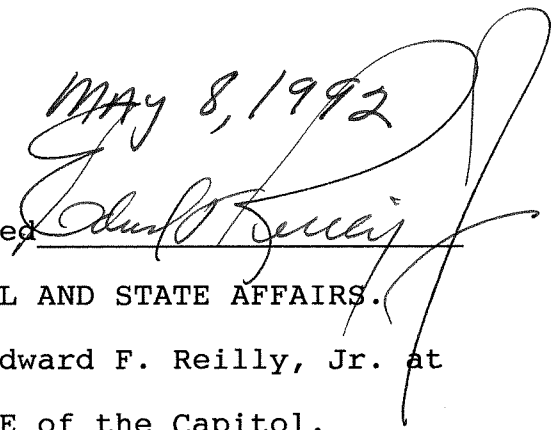


May 8, 1992

Approved



MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS.

The meeting was called to order by Sen. Edward F. Reilly, Jr. at 11:00 a.m. on March 26, 1992 in Room 254-E of the Capitol.

All members were present except:
Sen. Ward was excused

Committee staff present:
Mary Torrence, Office of Revisor of Statutes
Mary Galligan, Legislative Research Department
Jeanne Eudaley, Committee Secretary

Conferees appearing before the committee:
Rep. Dale Sprague
Dana Nelson, Executive Director, Kansas Racing Commission
Jonathan Small, Kansas Automatic Merchandising Assoc.

Others attending: See attached list

Sen. Reilly called the meeting to order and introduced Rep. Dale Sprague who explained amendments (Attachment 1), which passed in the House, to HB 2840. Members were interested in how the kegs would be marked in order to identify them, and Sen. Daniels asked clarification as to sizes of kegs, party balls, etc. Rep. Sprague asked the committee to pass the bill with amendments on it.

Sen. Reilly introduced guests of Sen. Webb who attended the committee meeting.

No attachment 2

Sen. Reilly called attention to Minutes of committee meetings for February 26 and 27 and March 2 and 3. Sen. Morris made a motion to approve the Minutes, and Sen. Daniels seconded the motion. The motion passed.

The Chairman asked the committee to look at SB 703 once again and asked Dana Nelson for additional input on amendments to the bill. Mr. Nelson recalled the conceptual motion made in a previous meeting and reminded the committee they had discussed the totalisator and concessionaire license provision. Mary Torrence presented drafted amendments (Attachment 3) to the bill and asked the committees' intent. The drafted amendment on Page 5 reflects Sen. Ward's motion at a previous meeting, and Mr. Nelson stated that previous discussions reflected the committees' desire to restrict both the totalisator and concessionaire licenses. He recommended striking the language referring to the totalisator license, but to adopt the concessionaire language since that involves private companies. After speaking with the Racing Commission's counsel regarding juvenile adjudication, he stated the five year provision was adequate.

Sen. Bond moved the committee adopt both amendments, and it was seconded by Sen. Morris. The motion passed. Sen. Vidricksen moved the bill be recommended to the Senate, as amended; that motion was seconded by Sen. Strick. The motion passed. Standing committee report is attached (Attachment 4). Sen. Vidricksen agreed to carry the bill on the Senate floor.

Sen. Reilly called attention to SB 516 and the fact that this bill was reported adversely in committee on February 18 and rereferred on February 19. Sen. Vidricksen made a motion that an amendment be drafted to delay the implementation of the tax for one year and the bill be reported favorably. He explained there has been no Attorney General's opinion yet and this would permit a one year delay on the tax. He emphasized the impact raising the tax on wagering would have on parimutuel racing and added the increase has not been budgeted. Sen. McClure seconded the motion. Sen. Reilly read from the fiscal note (Attachment 5) and pointed out changes. Sen. Walker made a substitute motion to report the bill adversely, and it was seconded by Sen. Daniels. The Chairman was uncertain about the vote, and a division was called, with this result: Yes - 3; No - 4. The motion failed.

Sen. Vidricksen requested action on his original motion, and discussion followed when the Chairman asked if there had been agreement between the video lottery people that the tracks would be allowed to have an unlimited number of machines at track locations. Jonathan Small responded there was agreement, but Pete McGill, Wichita Greyhound Racing, stated there had been no such agreement. Sen. Walker made a substitute motion that the original motion made by Sen. Vidricksen go into effect only if video lottery passes, and the motion was seconded by Sen. Daniels, saying she did not think it right to give parimutuel an exemption. Sen. Webb agreed. The substitute motion failed.

Returning to the original motion made by Sen. Vidricksen, a division was called. Result: Yes - 5; No - 3. The motion passed. The following members asked to be recorded as voting "no": Sens. Daniels, Webb, Walker. Standing committee report attached (Attachment 6).

Sen. Reilly called the committees' attention to HB 3098, and Sen. Walker made a motion to change the "an" to "the", and it was seconded by Sen. Morris. After remarks, Sen. McClure made a motion to report the bill adversely, but there was no second to the motion. The original motion passed. (Standing committee report attached (Attachment 7)).

Jonathan Small explained a proposal (Attachment 8) relating to the militia and drug operations. Sen. Bond made a motion the committee introduce it as a bill, and it was seconded by Sen. Morris. The motion passed.

Meeting adjourned at 12:00.

ATTACH. 1

Att. 1
1

1 aration or wholesaling of alcoholic beverages other than that produced
2 by such brewery or winery;

3 (4) person, copartnership or association which has beneficial in-
4 terest in any retailer licensed under this act or under K.S.A. 41-
5 2702 and amendments thereto;

6 (5) copartnership, unless all of the copartners are qualified to
7 obtain a license; or

8 (6) corporation, unless stockholders owning in the aggregate 50%
9 or more of the stock of the corporation would be eligible to receive
10 such license and all other stockholders would be eligible to receive
11 such license except for reason of citizenship or residency.

12 [New Sec. 3. (a) Prior to the sale by a retailer, or a retailer's
13 employee or agent, of any beer in a container having a liquid
14 capacity of six or more gallons or 22.71 or more liters, the retailer,
15 or the retailer's employee or agent, shall place on the beer container
16 a keg identification number that includes the retailer's retail liquor
17 license number. At the time of sale of any such container of beer,
18 the retailer, or the retailer's employee or agent, shall record the
19 keg number; the date of the sale; the purchaser's name, address
20 and signature; and the number of a piece of identification bearing
21 both the purchaser's picture and the purchaser's signature. Such
22 record shall be kept by the retailer for not less than six months at
23 the premises where the purchase was made.

24 [(b) Records required to be kept pursuant to this section shall
25 be available for inspection by any law enforcement officer during
26 normal business hours or at any other reasonable time.

27 [(c) Upon a determination, in a proceeding pursuant to K.S.A.
28 41-320 and amendments thereto, that a retailer, or a retailer's
29 employee or agent, has violated this section, the director shall
30 suspend the retailer's retail liquor license for five business days.

31 [(d) This section shall be part of and supplemental to the Kansas
32 liquor control act.

33 [New Sec. 4. (a) Prior to the sale by a retailer, or a retailer's
34 employee or agent, of any cereal malt beverage in a container
35 having a liquid capacity of six or more gallons or 22.71 or more
36 liters, the retailer, or the retailer's employee or agent, shall place
37 on the cereal malt beverage container a keg identification number
38 that includes the retailer's retail cereal malt license number. At
39 the time of sale of any such container of cereal malt beverage, the
40 retailer, or the retailer's employee or agent, shall record the keg
41 number; the date of the sale; the purchaser's name, address and
42 signature; and the number of a piece of identification bearing both
43 the purchaser's picture and the purchaser's signature. Such record

not more than

The provisions of this section shall not apply to sales to licensed drinking establishments or clubs.

(e)

(a)

Att. 1
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1 shall be kept by the retailer for not less than six months at the
2 premises where the purchase was made.

3 [(b) Records required to be kept pursuant to this section shall
4 be available for inspection by any law enforcement officer during
5 normal business hours or at any other reasonable time.

6 [(c) Upon a determination, in a proceeding pursuant to K.S.A.
7 41-2708 and amendments thereto, that a retailer, or a retailer's
8 employee or agent, has violated this section, the board of county
9 commissioners or city governing body that issued the retailer's retail
10 cereal malt license shall suspend the retailer's license for five busi-
11 ness days.

not more than

12 [(d) This section shall be part of and supplemental to K.S.A.
13 41-2701 *et seq.*

14 [Sec. 3-[5]. K.S.A. 1991 Supp. 41-345 is hereby amended to
15 read as follows: 41-345. (a) Nonalcoholic malt beverages shall be
16 distributed by distributors, as defined by K.S.A. 41-102 and amend-
17 ments thereto, pursuant to all terms and conditions of the liquor
18 control act. The provisions of K.S.A. 79-3817 *et seq.* and amend-
19 ments thereto shall apply to sales and distribution of nonalcoholic
20 malt beverages by such distributors.

21 [(b) The provisions of the liquor control act, and any rules and
22 regulations adopted thereunder for the administration of enforce-
23 ment thereof, shall apply to the sale and taxation of nonalcoholic
24 malt beverages by retailers licensed thereunder. The provisions of
25 K.S.A. 79-4101 *et seq.* and amendments thereto shall apply to the
26 sale of nonalcoholic malt beverages at retail by such retailers.

27 [(c) The provisions of the club and drinking establishment act,
28 and any rules and regulations adopted thereunder for the admin-
29 istration of enforcement thereof, shall apply to the sale and taxation
30 of nonalcoholic malt beverages by clubs and drinking establishments
31 licensed thereunder. The provisions of K.S.A. 79-41a01 *et seq.* and
32 amendments thereto shall apply to the sale of nonalcoholic malt
33 beverages by a club or drinking establishment.

34 [(d) The provisions of K.S.A. 41-2701 *et seq.* and amendments
35 thereto, and any rules and regulations adopted thereunder for the
36 administration of enforcement thereof, shall apply to the sale and
37 taxation of nonalcoholic malt beverages by retailers licensed there-
38 under, *except that such retailers may sell such beverages between*
39 *the hours of 6:00 a.m. and 12:00 midnight on Sunday.*

[Sec. 4-[6]. K.S.A. 1991 Supp. 41-2704 is hereby amended to
read as follows: 41-2704. (a) In addition to and consistent with the
42 requirements of this act, the board of county commissioners of any
43 county or the governing body of any city may prescribe hours of

DATE: Fri.3-13-92

TOPEKA CAPITAL JOURNAL ● HAYS DAILY NEWS

OLATHE DAILY NEWS

Officials target underage drinking

By ALAN WILDS
Hays Daily News

Purchasing alcohol for minors is a crime and Ellis County Sheriff Bruce Hertel believes that messege needs a little reinforcement.

Several recent incidents involving underage consumption of alcohol have prompted local law enforcement and the Ellis County attorney's office to take a strong stand against people who furnish alcohol to those under 21.

The messege has already been delivered loud and clear to one county resident who was recently charged with one count of furnishing intoxicants to minors, a class B misdemeanor, according to County Attorney Glenn Braun.

Underage drinking was also suspected when a one-car accident ended in the hospitalization of a 20-year-old Hays man on March 1 in the 1800 block of Munjor Road.

Alan Staab sustained head injuries when the car he was riding in skidded off the road and overturned. He was airlifted to HCA Wesley Medical Center in Wichita.

The car was driven by Melinda G. Prochaska, 17, Catherine. Apparently the two had left a party to take a friend home and were on their way back to the party when the accident occurred, according sheriff's deputy Martha Culbreath.

Culbreath said Prochaska's blood alcohol content tested below the legal limit, but she was issued a citation for underage consumption of alcohol.

The sheriff's department investigated the party and Braun said he may file charges against the purchasers of the alcohol.

Hertel and Culbreath both agree underage drinking at high school parties has always been a problem but is usually on the rise during the spring months. The parties are almost always located outside city limits.

"It seems to pick up more this time of year," Culbreath said. "The problem gets worse as the weather gets warmer."

Culbreath described another recent incident in which sheriff's officers shut down a party and seized two kegs of beer just south of Antonino. About 40 high-school-age youths were present, she said.

An investigation revealed the party had been well publicized among students at Hays High School, Thomas More Prep-Marian high school and Russell High School, she said.

"It was a pretty even distribution from all three schools," Culbreath said.

The purchasers of alcohol in the incidents Culbreath investigated were alleged to be either older friends or siblings. However, Hertel said there had been instances when parents purchased a keg of beer for their children.

"Those people need to understand that this is illegal," he said. "We are going to start cracking down on the people responsible for this."

Braun said there were not many charges filed in connection with purchasing alcohol for underage parties on a yearly basis, mainly because purchases are hard to trace.

"I think now it's starting to get a little more attention from law enforcement," he said. "If it's keg beer then you have a deposit and a serial number to find out who bought it. A lot of the officers are starting to work with liquor stores on that."

Although Braun has filed only one charge recently, he does have paperwork on other cases involving alcohol purchases for minors. He said more charges might be filed in the near future.

Law enforcement officers also may be getting some help if a proposed bill in the Kansas Legislature becomes law. The proposal, drafted by Rep. Dale Sprague, R-McPherson, would require purchasers of beer in excess of six gallons to give their names and addresses to the liquor store. The keg would also have a number stamped on it for identification.

That proposal has the support of the Hays Pride In Our Neighborhood Committee. Chairman Bill Davis said the committee had been pushing for a similar city ordinance until the legislation was proposed at the state level.

"People are coming to grips with this problem nationwide," Davis said. "It's just too bad we have had to lose so many of our young people in the process."

With or without the legislation, Culbreath said officers would make an attempt to shut down underage keg parties early. However, many parties where underage drinking occurs are not discovered until the following morning or after a car accident has been reported.

"It's not just one of those things where the kids are cruising Main and decide to have a beer party," she said. "Most of these parties are well planned in advance."

"The people who buy these kegs are usually well aware of the fact that the consumers are going to be underage and I think it's great they (county attorney) are willing to pursue this matter to the furthest extent."

STATE OF KANSAS



DIVISION OF THE BUDGET

JOAN FINNEY, GOVERNOR
GLORIA M. TIMMER, Director

Room 152-E
State Capitol Building
Topeka, Kansas 66612-1578

(913) 296-2436
FAX (913) 296-0231

March 18, 1992

The Honorable Kathleen Sebelius, Chairperson
Committee on Federal and State Affairs
House of Representatives
Third Floor, Statehouse

Dear Representative Sebelius:

SUBJECT: Fiscal Note for HB 2967 by Representative Sprague

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2967 is respectfully submitted to your committee.

HB 2697 would require retailers to maintain additional records concerning the sale of certain alcoholic beverages. The retailer who sells cereal malt beverages or beer, in containers of six gallons or more, would be required to comply with the following:

Place on containers of six gallons or more a keg identification number which includes the retailer's liquor license number.

Record, at the time of sale, the keg number; the date of sale; the purchaser's name, address, and signature; and the number of the piece of identification used by the purchaser.

Keep such records for at least six months.

Allow the records to be reviewed by any law enforcement officer during normal business hours or other reasonable times.

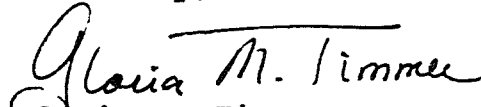
Violation of this act could result in the suspension of the retailer's liquor or cereal malt beverage license for a period of five business days.

Att. 1
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The Honorable Kathleen Sebelius
March 18, 1992
Page Two

There would be no fiscal impact on any state agency or local unit of government.

Sincerely,


Gloria M. Timmer
Director of the Budget

cc: Ray Rhoads, Revenue

960

913-625-1077

AD MAR 23 1991 08:47PM HAYS POLICE DEPT

AFTER HRS. (913) 625-1011

EMERGENCY 911

F. B. I. HERTEL
SHERIFF

ELLIS COUNTY SHERIFF'S OFFICE

LAW ENFORCEMENT CENTER

105 WEST 12 P.O. BOX 369

HAYS, KANSAS 67601-0369

KANSAS STATE SENATE
Federal & State Affairs Committee
Topeka, Kansas

RE: HB 2840 as amended by House Committee of the Whole

Dear Committee Members;

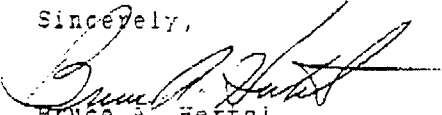
Please find attached a letter from my deputy, Martha Culbreath, explaining some of the problems we are having in dealing with keg parties and underage drinkers. I sincerely believe this type of law or regulation is needed and will be a valuable asset to law enforcement officers in trying to track down the people responsible for purchasing cereal malt beverages or liquor products for underage people.

It is unfortunate that we have some adults with the attitude and belief that a little beer doesn't hurt anyone, and will agree to purchase liquor and cereal malt beverages for underage, just to be a nice guy. It is apparent that these same people have never had to deal with one of their own being seriously injured or killed because of one of these parties. I believe law enforcement and legislators have to do everything in their power to get the message across that we will not tolerate these actions.

I understand this law will not solve the problem. It is another investigative tool that we can use to trace down and prosecute those that want to continue to evade the law. As deputy Culbreath stated in her letter I would also like to see the same identification and logging of persons that purchase several cases or large quantities of beer & liquor products commonly used for parties.

In closing I would also recommend some type of legislation that would limit access to clubs or taverns by underage persons. We have several taverns that allow a person 18 to enter, but state they have to be 21 to drink. I think this is wrong and does nothing but tease the 18 to 20 year olds.

Sincerely,


Bruce A. Hertel
Ellis County Sheriff
Hays, Kansas

Att. 1
5

PHONE 625-1040

ELLIS COUNTY SHERIFF'S OFFICE



BRUCE A. HERTEL, SHERIFF
LAW ENFORCEMENT CENTER
HAYS, KANSAS 67601

March 23, 1992

Sirs,

It would be greatly appreciated if you would pass the bill now before you requiring some type of identification on kegs of beer. Having been in law enforcement for the past eleven years I have investigated numerous incidents in which a serial number or other identifying number on the keg would have made the filing of charges possible or the investigation of the incident much quicker and easier.

With the warm weather quickly approaching we will once again be investigating beer parties in open pastures or barns. Upon our arrival we may be met by underage consumers with no cups in their hands but a tapped keg nearby. Even if no one claims the keg of beer we can take it but are unable to locate the purchaser. Our department is concerned with the safety of the young people and feel that someone should be held responsible for furnishing them with alcohol. By making someone responsible for the keg and those who consume from the keg I feel that we may be able to make a dent in the number of young people injured in alcohol related accidents and fights. We may also be able to slow down the amount of alcohol leaving liquor stores and being provided to young people.

Making the arrest of underage consumers has not appeared to reduce the problem. The easy accessibility of cereal malt beverage and liquor store products does not deter the young person from obtaining the product. If the accessibility was more difficult then less young people would make an exerted effort to get the product.

I am well aware of the fact that if kegs are not obtainable that cans will be

Att. 1
6

purchased. A quantity, such as 4 cases, could be logged by the liquor store and again be traced back. Some type of record system needs to be established to assist in the location and prosecution of the purchaser.

On the last underage party that I investigated it took several weeks to determine who purchased the keg beer. The liquor store had to wait to see who returned kegs on the day that I believed it was purchased. I then had to contact all the people who had not returned the kegs they purchased and determine where the party had been. It was a matter of luck that I finally located the purchaser. I was more lucky in that the purchaser agreed to speak with me and to tell the truth. I do not feel this is the best way to handle an investigation. I also feel that had I been able to make the arrest quickly it would have had more impact on everyone involved with the party.

Your assistance in fighting the battle of underage consumption is appreciated.

Thank you,

Martha K Culbreath

Deputy Martha Culbreath
Ellis County Sheriff Department
105 W. 12th
Hays, KS. 67601

Att. 1
7

Attach. 3

Att. 3
1

1 race by one of the owners or trainers of a horse or greyhound which
2 participated in such race and a preponderance of evidence clearly
3 indicates to the commission that one or more of the grounds for
4 protest, as provided for in rules and regulations of the commission,
5 has been substantiated.

6 (j) The commission, after notice and a hearing in accordance with
7 rules and regulations adopted by the commission, may impose a civil
8 fine not exceeding \$250 for each violation of any provision of this
9 act, or any rule and regulation of the commission, for which no other
10 penalty is provided.

11 (k) *If an order of the commission in any proceeding is adverse*
12 *to the licensee or applicant, costs incurred by the commission in*
13 *conducting the proceeding may be assessed against the parties to*
14 *the proceeding in such proportion as the commission determines upon*
15 *consideration of all relevant circumstances, including the nature of*
16 *the proceeding and the level of participation by the parties. If the*
17 *commission is the unsuccessful party, the costs shall be paid by the*
18 *commission.*

19 (l) *For purposes of this section, "costs incurred" means the fees*
20 *and expenses of the presiding officer; costs of making any transcripts;*
21 *witness fees and expenses; mileage, travel allowances and subsistence*
22 *expenses of commission employees; and fees and expenses of agents*
23 *of the commission. Costs incurred does not include the presiding*
24 *officer's fees and expenses or costs of making and preparing the*
25 *record unless the commission has designated or retained the services*
26 *of independent contractors to perform such functions.*

27 (m) *As part of the final order rendered in an administrative*
28 *proceeding, the commission shall make an assessment of costs in-*
29 *curring. Such order shall include findings and conclusions in support*
30 *of the assessment of costs.*

31 (n) *Any action for judicial review of an order of the commission*
32 *shall be filed in the district court of Shawnee county.*

33 (o) The commission shall adopt rules and regulations specifying
34 and regulating:

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

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

41 (p) The commission may adopt rules and regulations providing
42 for the testing of any licensees of the commission, and any officers,
43 directors and employees thereof, to determine whether they are

or the county where a racetrack facility is located, if the order relates to activities at such facility or to a licensee or applicant who engages in or will engage in licensed activities at such facility

Att. 3
2

1 officer, director or member of such an organization licensee.

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

5 (1) Participate in the operation of or have a financial interest in
6 any business which has been issued a concessionaire license, *total-*
7 *isator license*, facility owner license or facility manager license, or
8 any business which sells goods or services to an organization licensee;

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

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

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

19 (c) It is a class A misdemeanor for any member, employee or
20 appointee of the commission, or any spouse, parent, grandparent,
21 brother, sister, child, grandchild, uncle, aunt, parent-in-law, brother-
22 in-law or sister-in-law thereof, to:

23 (1) Hold any license issued by the commission, except that a
24 steward or racing judge shall hold an occupation license to be such
25 a steward or judge; or

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

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

30 (1) Receive, for duties performed as an officer or director of such
31 licensee, any compensation or reimbursement or payment of ex-
32 penses in excess of the amounts provided by K.S.A. 75-3223 and
33 amendments thereto for board members' compensation, mileage and
34 expenses; or

35 (2) enter into any business dealing, venture or contract with the
36 organization licensee or, other than in the capacity of an officer or
37 director of the organization licensee, with a facility owner licensee,
38 facility manager licensee, *totalisator licensee* or concessionaire
39 licensee.

40 (e) It is a class A misdemeanor for any facility owner licensee or
41 facility manager licensee, or any officer, director or, employee, *stock-*
42 *holder or shareholder* thereof or any person having an ownership
43 interest therein, to participate directly or indirectly as an owner,

, except that a member, employee or appointee of the commission may own in the aggregate not more than 5% of the shares of a corporation that holds a concessionaire license or totalisator license and has shares registered under section 12 of the securities exchange act of 1934 (15 U.S.C. 781)

, except that an officer, director or member of an organization licensee may own in the aggregate not more than 5% of the shares of a corporation that holds a concessionaire license or totalisator license and has shares registered under section 12 of the securities exchange act of 1934 (15 U.S.C. 781)

REPORTS OF STANDING COMMITTEES

MR. PRESIDENT:

Your Committee on Federal and State Affairs

Recommends that Senate Bill No. 703

"AN ACT concerning the Kansas parimutuel racing act; amending K.S.A. 77-609 and K.S.A. 1991 Supp. 38-1607, 74-8802, 74-8804, 74-8810, 74-8812, 74-8813, 74-8815, 74-8816, 74-8817 and 74-8824 and repealing the existing sections."

Be amended:

On page 5, in line 32, after "county", by inserting "or the county where a racetrack facility is located, if the order relates to activities at such facility or to a licensee or applicant who engages in or will engage in licensed activities at such facility";

On page 6, in line 27, by striking "(o)" and inserting "(s)"; in line 30, by striking "(n)" and inserting "(r)"; in line 32, by striking "(p)" and inserting "(t)";

On page 7, in line 8, after "licensee", by inserting ", except that a member, employee or appointee of the commission may own in the aggregate not more than 5% of the shares of a corporation that holds a concessionaire license or totalisator license and has shares registered under section 12 of the securities exchange act of 1934 (15 U.S.C. 781)"; in line 39, after "licensee", by inserting ", except that an officer, director or member of an organization licensee may own in the aggregate not more than 5% of the shares of a corporation that holds a concessionaire license or totalisator license and has shares registered under section 12 of the securities exchange act of 1934 (15 U.S.C. 781)";

On page 12, in line 37, after "adjudicated", by inserting "in the last five years";

On page 21, in line 9, after "adjudicated", by inserting "in

the last five years"; in line 16, after "adjudicated", by inserting "in the last five years";

On page 24, in line 40, after "adjudicated", by inserting "in the last five years";

On page 25, in line 2, after "adjudicated", by inserting "in the last five years";

On page 27, in line 10, after "adjudicated", by inserting "in the last five years"; in line 15, after "adjudicated", by inserting "in the last five years";

On page 28, in line 39, after "adjudicated", by inserting "in the last five years,";

On page 29, in line 1, after "adjudicated", by inserting "in the last five years";

And the bill be passed as amended.

Chairperson

STATE OF KANSAS

255-E

ATTACH.



DIVISION OF THE BUDGET

JOAN FINNEY, GOVERNOR
GLORIA M. TIMMER, Director

Room 152-E
State Capitol Building
Topeka, Kansas 66612-1578

(913) 296-2436
FAX (913) 296-0231

February 6, 1992

The Honorable Edward Reilly, Chairperson
Committee on Federal and State Affairs
Senate Chamber
Third Floor, Statehouse

Dear Senator Reilly:

SUBJECT: Fiscal Note for SB 516 by Committee on Federal
and State Affairs

In accordance with KSA 75-3715a, the following fiscal note
concerning SB 516 is respectfully submitted to your committee.

SB 516 would amend current law concerning the state tax on
parimutuel wagering at greyhound races. The current tax is
3/18 of the total daily takeout (the total amount wagered less
the amount required for winning ticket payments). Under
current law, the tax is scheduled to increase to 4/18 of the
total daily takeout in the fifth year of operation of a track
dedicated to greyhound racing only (for example, the Wichita
Greyhound Park). In the sixth and subsequent years, the tax
would increase to 5/18 of the total daily takeout. The Wichita
Greyhound Park's fifth year of operation would coincide
approximately with the state's FY 1994. Furthermore, under
current law, at racetrack facilities offering both horse and
greyhound races (for example, the Woodlands), the parimutuel
tax is scheduled to increase to 4/18 of the total daily takeout
in the eighth year of operation, and to increase again to 5/18
in the tenth year of operation. The Woodlands' eighth year of
operation would coincide approximately with the state's FY
1997. The bill would delete the scheduled changes in the
greyhound parimutuel tax, thereby maintaining the current tax
of 3/18 of the total daily takeout of all greyhound races.

In statute, "takeout" is defined as "the total amount of
money withheld from each parimutuel pool for the payment of
purses, taxes and the share to be kept by the organization
licensee. Takeout does not include the breakage." The
"parimutuel pool" is the total amount of money wagered.

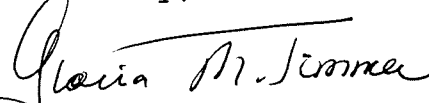
Att. 5
1

The Honorable Edward Reilly
February 6, 1992
Page Two

Assuming the average daily amount wagered in FY 1991 at greyhound races and the number of greyhound race days scheduled for FY 1992 to remain constant, the Kansas Racing Commission estimates the following revenues to the State Gaming Revenues Fund would be foregone.

	<u>Woodlands</u>	<u>Wichita</u>	<u>Total</u>
FY 1994	\$ --	\$ 717,004	\$ 717,004
FY 1995	--	1,606,092	1,606,092
FY 1996	--	1,778,174	1,778,174
FY 1997	1,458,838	1,778,174	3,237,012
FY 1998	1,717,548	1,778,174	3,495,722
FY 1999	3,176,390	1,778,174	4,954,564
FY 2000+	3,435,100	1,778,174	5,213,274

Sincerely,


Gloria M. Timmer
Director of the Budget

cc: Georgann Smith, Kansas Racing Commission

4573

Att. 5
2

Attach. 6

CRS516m

REPORTS OF STANDING COMMITTEES

MR. PRESIDENT:

Your Committee on Federal and State Affairs

Recommends that Senate Bill No. 516

"AN ACT amending the Kansas parimutuel racing act; relating to the tax on amounts wagered; amending K.S.A. 1991 Supp. 74-8823 and repealing the existing section."

Be amended:

On page 1, by striking all of line 36; in line 37, by striking all before the period and inserting "as follows:

(1) Of the total daily takeout from parimutuel pools for horse races, a tax at the rate of 3/18;

(2) except as provided by subsection (a)(3), of the total daily takeout from parimutuel pools for greyhound races held at a racetrack facility for the racing of only greyhounds, a tax at the rate of: (A) 3/18 during the first five years when racing with parimutuel wagering is conducted at such facility; (B) 4/18 during the sixth year when racing with parimutuel wagering is conducted at such facility; and (C) 5/18 during the seventh and any subsequent year when racing with parimutuel wagering is conducted at such facility; and

(3) of the total daily takeout from parimutuel pools for greyhound races held at a dual racetrack facility or at a racetrack facility owned by a licensee whose license authorizes the construction of a dual racetrack facility, a tax at the rate of: (A) 3/18 during the first seven years when racing with parimutuel wagering is conducted at such facility; (B) 4/18 during the eighth and ninth years when racing with parimutuel wagering is conducted at such facility; and (C) 5/18 during the tenth and any subsequent year when racing with parimutuel wagering is conducted at such facility";

And the bill be passed as amended.

Keith

Chairperson

Att. 6
1

REPORTS OF STANDING COMMITTEES

Sen Rock

MR. PRESIDENT:

Your Committee on Federal and State Affairs

Recommends that House Bill No. 3098

"AN ACT establishing a state march; and repealing K.S.A. 73-801."

Be amended:

On page 1, in line 12, by striking "the" and inserting "an";

On page 3, by striking all of line 34; by renumbering section 3 as section 2;

In the title, in line 8, by striking "a state march; and repealing K.S.A. 73-801" and inserting "an official state march";

And the bill be passed as amended.

Relly Chairperson

Attach. 8

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

Section 1. K.S.A. 48-421 is hereby amended to read as follow: 48-241. The commander in chief shall have the power, in case where requested by civil authorities to support federal or state law enforcement agencies in counter-drug and drug interdiction operations when such request is approved by the commander in chief and in case of breaches of the peace, tumult, riot, resistance to process in this state, public disaster or imminent danger thereof, to order in the active service of the state any or all of the ^{units} ~~companies, batteries, battalions, regiments or brigades~~ of the National Guard or any member thereof or other militia or military organizations of the state, that he or she may deem necessary; and all members thereof who shall be ordered out by proper authority for such duty shall not be liable to civil prosecution for any act or acts done by them in discharge of their military duty on such occasions.

JS0303D1

Att. 8
1

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

Section 1. K.S.A. 48-421 is hereby amended to read as follow: 48-241. The commander in chief shall have the power, in case where requested by civil authorities to support federal or state law enforcement agencies in counter-drug and drug interdiction operations when such request is approved by the commander in chief and in case of breaches of the peace, tumult, riot, resistance to process in this state, public disaster or imminent danger thereof, to order in the active service of the state any or all of the ^{units} ~~companies, batteries, battalions, regiments or brigades~~ of the National Guard or any member thereof or other militia or military organizations of the state, that he or she may deem necessary; and all members thereof who shall be ordered out by proper authority for such duty shall not be liable to civil prosecution for any act or acts done by them in discharge of their military duty on such occasions.

JS0303D1

Att. 8
2

3/26/92

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

Section 1. K.S.A. 48-421 is hereby amended to read as follow: 48-241. The commander in chief shall have the power, in case where requested by civil authorities to support federal or state law enforcement agencies in counter-drug and drug interdiction operations when such request is approved by the commander in chief and in case of breaches of the peace, tumult, riot, resistance to process in this state, public disaster or imminent danger thereof, to order in the active service of the state any or all of the ^{units} ~~companies, batteries, battalions, regiments or brigades~~ of the National Guard or any member thereof or other militia or military organizations of the state, that he or she may deem necessary; and all members thereof who shall be ordered out by proper authority for such duty shall not be liable to civil prosecution for any act or acts done by them in discharge of their military duty on such occasions.

JS0303D1

Att. 8
3

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

Section 1. K.S.A. 48-421 is hereby amended to read as follow: 48-241. The commander in chief shall have the power, in case where requested by civil authorities to support federal or state law enforcement agencies in counter-drug and drug interdiction operations when such request is approved by the commander in chief and in case of breaches of the peace, tumult, riot, resistance to process in this state, public disaster or imminent danger thereof, to order in the active service of the state any or all of the ^{units} ~~companies, batteries, battalions, regiments or brigades~~ of the National Guard or any member thereof or other militia or military organizations of the state, that he or she may deem necessary; and all members thereof who shall be ordered out by proper authority for such duty shall not be liable to civil prosecution for any act or acts done by them in discharge of their military duty on such occasions.

JS0303D1

Att. 8
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