

Approved: 3-18-96
Date

MINUTES OF THE HOUSE COMMITTEE ON FEDERAL AND STATE AFFAIRS.

The meeting was called to order by Chairperson Garry Boston at 1:30 p.m. on March 13, 1996 in Room 519-S of the Capitol.

All members were present except: Representative David Adkins, Absent
Representative Dale Swenson, Absent

Committee staff present: Mary Ann Torrence, Revisor of Statutes
June Evans, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list

Representative Andrew Howell requested a bill introduction for a Constitutional Amendment that would limit terms for both State Senators and State Representatives to 12 years effective December 31, 1996.

Representative Ruff moved and Representative Mason seconded to accept bill introduction as a Committee Bill. The motion carried.

The Chairperson stated hearings were held March 6 on **SB 663** and **SB 708** that were requested by the Racing Commission would be discussed and possible final action taken if that is the pleasure of the Committee. The Chairperson asked for recommendations.

Mary Torrence, Revisor of Statutes, gave a briefing on the proposed amendment the Racing Commission requested to **SB 708**. These amendments would incorporate the amendments by the Racing Commission and additional amendments needed to implement amendments requested. (See Attachment #1)

Representative Ballou moved and Representative Standifer seconded to amend **SB 708** Section 5, (b) on page 21, line 33 and 34 by striking "Except in the case of an otherwise qualified employee of the commission serving as a racing judge or steward on a temporary basis" and adding after "judge" on line 37 " , except that an unlicensed employee of the commission may serve as a steward or racing judge on a temporary basis if the employee has had the same criminal history record check, background investigation and training, and has passed the same examination, as required for other stewards and racing judges". The motion carried. (See Attachment #2)

Representative Standifer moved and Representative Gilbert seconded to accept proposed amendment presented by the Revisor.

Representative Nichols moved and Representative Ballou seconded to adopt a balloon to **SB 708** conceptually, "That the license be barred or terminated upon entry into a bankruptcy proceeding" in Section 7, (d) (6) on page 10 to the Revisor's proposed amendment.

Mary Torrence stated that subsection (5) was put in because the Internal Revenue Service would not release tax records unless there was a reason and this would assure they would release those records. The purpose of this was not for revoking someone's license.

The Chairperson stated the Question is, "if the concession licensees license is barred or terminated upon entering into a bankruptcy proceeding". The Chairperson asked for all in favor respond by saying aye and opposed. There was a question and a Division was called.

A Division was called: Yeas - 9 Nays - 11. The motion failed.

The Chairperson stated were back on Representative Standifer's motion to adopt Revisor's proposed amendment.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE FEDERAL AND STATE AFFAIRS, Room 519-S
Statehouse, at 1:30 p.m. on March 13, 1996.

On a voice vote the motion by Representative Standifer carried to adopt the Revisor's proposed amendment to **SB 708**.

Representative Spangler moved and Representative Standifer seconded a proposed amendment to combine **SB 663** and **SB 708** into one bill and amend (See Attachment #3)

Representative Lloyd asked if Representative Spangler's proposed amendment could be divided and part (2) could be worked first?

Representative Cox stated he did not believe a conceptual amendment could be divided and would like to have more questions answered on this before proceeding. Representative Cox said Representative Spangler's proposed amendment needs to be more specific although it does have some merit.

Representative Franklin stated he was in favor of dividing the question but would like to add this is playing a dangerous game through conceptual ideas. The slot machine bill that went over to the Senate last year had many holes involved in it. If the committee is going to do a product it needs to be well defined and avoid what was done last year.

Representative Pugh moved and Representative Smith seconded to Table **SB 708**. The motion carried.

The Chairperson stated discussion would proceed on **SB 663**, act on any amendment and possibly take final action.

Representative Ballou moved and Representative Aldritt seconded to amend **SB 708** as amended into **SB 663**.

Representative Nichols moved a Substitute Motion to combine **SB 708** as amended and **SB 663** with the addition of his proposed amendment.

The meeting adjourned at 2:25 p.m.

The next meeting is scheduled for March 14, 1996

FEDERAL & STATE AFFAIRS COMMITTEE GUEST LIST

DATE: March 13, 1996

NAME	REPRESENTING
Michael Deaf	Racing Commission
Jerry Hamblin	Atty Gen'l / Racing Comm'n
Amy Neuell	Pat Hubbell Assoc.
Rosalie Thoulburgh	KIDOT
Rebecca R	KRLDA
JOHN C. BOTTENBERG	BOTTENBERG & ASSOC
Ed P	PM
Gary Hautmark	Lukas Liquors
Jim Conant	ABC
Gene Johnson	K A.S.A.P. ASSN

PROPOSED AMENDMENT TO SENATE BILL NO. 708

Add the following after section 1:

"Sec. 2. K.S.A. 1995 Supp. 74-8804 is hereby amended to read as follows: 74-8804. (a) During race meetings, the commission and its designated employees may observe and inspect all racetrack facilities operated by licensees and all racetracks simulcasting races to racetrack facilities in Kansas, including but not limited to all machines, equipment and facilities used for parimutuel wagering.

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

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

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

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commission or an agent or representative designated by the commission. In the case of the refusal of any person to comply with any such subpoena, the executive director may make application to the district court of any county where such books, papers, records, memoranda or person is located for an order to comply.

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

(f) The commission shall have the authority, after notice and an opportunity for hearing in accordance with rules and regulations adopted by the commission, to exclude, or cause to be expelled, from any race meeting or racetrack facility, or to prohibit a licensee from conducting business with any person:

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

(2) who has been convicted of a violation of the racing or gambling laws of this or any other state or of the United States or has been adjudicated of committing as a juvenile an act which, if committed by an adult, would constitute such a violation; or

(3) whose presence, in the opinion of the commission, reflects adversely on the honesty and integrity of horse or greyhound racing or interferes with the orderly conduct of a race meeting.

(g) The commission shall review and approve all proposed construction and major renovations to racetrack facilities owned or leased by licensees.

(h) The commission shall review and approve all proposed contracts with racetracks or businesses involved in simulcasting races to racetrack facilities in Kansas.

(i) The commission may suspend a horse or greyhound from participation in races if such horse or greyhound has been involved in any violation of the provisions of this act or any rule and regulation or order of the commission.

(j) The commission, within 72 hours after any action taken by a steward or racing judge and upon appeal by any interested party or upon its own initiative, may overrule any decision of a steward or racing judge, other than a decision regarding disqualifications for interference during the running of a race, if the preponderance of evidence indicates that:

- (1) The steward or racing judge mistakenly interpreted the law;
- (2) new evidence of a convincing nature is produced; or
- (3) the best interests of racing and the state may be better served.

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

(k) The commission, after notice and a hearing in accordance with rules and regulations adopted by the commission, may impose a civil fine not exceeding \$5,000 for each violation of any provision of this act, or any rule and regulation of the commission, for which no other penalty is provided.

(1) The commission shall adopt rules and regulations specifying and regulating:

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

(2) that equipment for administering drugs or medications to horses or greyhounds which may be possessed within the confines

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of a racetrack facility.

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

(n) The commission shall require fingerprinting of all persons necessary to verify qualification for employment by the commission or to verify qualification for any license, including a simulcasting license, issued pursuant to this act. The commission shall submit such fingerprints to the Kansas bureau of investigation and to the federal bureau of investigation for the purposes of verifying the identity of such persons and obtaining records of criminal arrests and convictions.

(o) The commission may receive from commission security personnel, the Kansas bureau of investigation or other criminal justice agencies, including but not limited to the federal bureau of investigation and the federal internal revenue service, such criminal history record information (including arrest and nonconviction data), criminal intelligence information and information relating to criminal and background investigations as necessary for the purpose of determining qualifications of licensees of the commission, employees of the commission, applicants for employment by the commission, and applicants for licensure by the commission, including applicants for simulcasting licenses. Upon the written request of the chairperson of the commission, the commission may receive from the district courts such information relating to juvenile proceedings as necessary for the purpose of determining qualifications of employees of and applicants for employment by the commission and determining qualifications of licensees of and applicants for licensure by the commission. Such information, other than conviction data, shall be confidential and shall not be disclosed except to members and employees of the commission as necessary to determine qualifications of such licensees, employees and applicants. Any other disclosure of such

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confidential information is a class A misdemeanor and shall constitute grounds for removal from office, termination of employment or denial, revocation or suspension of any license issued under this act.

(p) The commission, in accordance with K.S.A. 75-4319 and amendments thereto, may recess for a closed or executive meeting to receive and discuss information received by the commission pursuant to subsection (o) and to negotiate with licensees of or applicants for licensure by the commission regarding any such information.

(q) The commission may enter into agreements with the federal bureau of investigation, the federal internal revenue service, the Kansas attorney general or any state, federal or local agency as necessary to carry out the duties of the commission under this act.

(r) The commission shall adopt such rules and regulations as necessary to implement and enforce the provisions of this act.";

Renumber sections accordingly;

Add the following after section 4:

Sec. 6. K.S.A. 74-8816 is hereby amended to read as follows:
74-8816. (a) The commission shall require occupation licenses for:

(1) Any owner of a horse or greyhound participating in a race conducted by an organization licensee;

(2) any person whose work, in whole or in part, is conducted within a racetrack facility owned or leased by an organization licensee, including trainers, jockeys, agents, apprentices, grooms, exercise persons, veterinarians, valets, blacksmiths, stewards, racing judges, starters, timers, supervisors of mutuels, parimutuel tellers and clerks, guards and such other personnel designated by the commission.

(b) An occupation license shall be obtained from the commission prior to the time a person engages in activities for which such license is required, regardless of whether a race

meeting is being conducted.

(c) A person required to be licensed pursuant to subsection (a) shall apply for such license in a manner and upon forms prescribed and furnished by the commission. The commission may require the applicant to submit to fingerprinting. Occupation licenses shall be issued for a period established by the commission but not less than one year or more than three years. The commission shall establish the amount of application fees and license fees for different types of occupation licenses, but no such fee shall exceed \$200 a year. The application fee shall not be refundable if the applicant fails to qualify for a license and shall include the cost of processing fingerprints if they are required by the commission.

(d) The commission may require an applicant for an occupation license as a condition of licensure to consent to allow agents of the Kansas bureau of investigation or security personnel of the commission to search without warrant the licensee's person, personal property and work premises while within the racetrack facility or adjacent facilities under the control of the organization licensee for the purpose of investigating possible criminal violations of this act or violations of rules and regulations of the commission.

(e) Denial of an occupation license by the commission shall be in accordance with the Kansas administrative procedure act. The commission may refuse to issue an occupation license to any person who:

(1) Has been convicted of a felony by a court of any state or of the United States or has been adjudicated in the last five years in any such court of committing as a juvenile an act which, if committed by an adult, would constitute a felony;

(2) has been convicted of a violation of any law of any state or of the United States involving gambling or controlled substances or has been adjudicated in the last five years in any such court of committing as a juvenile an act which, if committed by an adult, would constitute such a violation;

(3) is not qualified to perform the duties associated with the license being applied for;

(4) fails to disclose any material fact or provides information, knowing such information to be false, when applying for the license;

(5) has been found by the commission to have violated any provision of this act or any rule and regulation of the commission;

(6) has had an occupation license suspended, revoked or denied for just cause in any other jurisdiction; or

(7) has committed two or more acts of violence within the past two years as established by a court of competent jurisdiction of any state or of the United States; or

(8) has failed to meet any monetary or tax obligation to the federal government or to any state or local government, whether or not relating to the conduct or operation of a race meet held in this state or any other jurisdiction.

(f) The commission may suspend or revoke an occupation license for any reason which would justify refusal to issue such a license and may impose a fine not exceeding \$5,000 for each violation upon any occupation licensee found to have violated any provision of this act or any rule and regulation of the commission. Such fine may be imposed in addition to or in lieu of suspending or revoking such person's occupation license. Proceedings for the suspension or revocation of an occupation license or imposition of a fine pursuant to this subsection shall be conducted by the commission or its appointed hearing officer in accordance with the Kansas administrative procedure act.

(g) The commission may provide by rules and regulations for the temporary suspension of an occupation license by summary adjudicative proceedings in accordance with the Kansas administrative procedure act upon finding that there is probable cause to believe that grounds exist for a permanent suspension or revocation of such license. Such suspension shall be for a period not exceeding 30 days. Upon expiration of such suspension, the

license shall be restored unless the license has been suspended or revoked pursuant to subsection (f).

(h) The stewards at any horse race meeting and the racing judges at any greyhound race meeting may impose on an occupation licensee a civil fine not exceeding \$500 or may suspend any occupation licensee's license for a period not exceeding 15 days upon a finding by at least two of the stewards or racing judges that there is probable cause to believe that the occupation licensee has violated the provisions of this act or any rule or regulation of the commission. No such fine or suspension shall be ordered except after notice and opportunity for hearing in accordance with procedures established by rules and regulations of the commission. Any order imposing such a fine or suspension is effective when rendered. The order shall be subject to appeal to the commission, and may be stayed pending such appeal, as provided by rules and regulations of the commission. Proceedings on appeal shall be in accordance with the provisions of the Kansas administrative procedure act.

Sec. 7. K.S.A. 74-8817 is hereby amended to read as follows:
74-8817. (a) No organization licensee or facility manager licensee shall permit any business not owned and operated by the organization licensee to sell goods or services within a racetrack facility where the organization licensee conducts race meetings unless such business has been issued a concessionaire license by the commission.

(b) Businesses required to be licensed pursuant to this section shall apply for concessionaire licenses in a manner and upon forms prescribed and furnished by the commission. The commission shall require disclosure of information about the owners and officers of each applicant and may require such owners and officers to submit to fingerprinting. The commission also may require disclosure of information about and fingerprinting of such employees of each applicant as the commission considers necessary. Concessionaire licenses shall be issued for a period of time established by the commission but not to exceed 10 years.

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The commission shall establish a schedule of application fees and license fees for concessionaire licenses based upon the type and size of business. The application fee shall not be refundable if the business fails to qualify for a license. If the application fee is insufficient to pay the reasonable expenses of processing the application and investigating the applicant's qualifications for licensure, the commission shall require the applicant to pay to the commission, at such times and in such form as required by the commission, any additional amounts necessary to pay such expenses. No license shall be issued to an applicant until the applicant has paid such additional amounts in full, and such amounts shall not be refundable except to the extent that they exceed the actual expenses of processing the application and investigating the applicant's qualifications for licensure.

(c) The commission may require applicants as a condition of licensure to consent to allow agents of the Kansas bureau of investigation or security personnel of the commission to search without warrant the licensee's premises and personal property and the persons of its owners, officers and employees while engaged in the licensee's business within the racetrack facility or adjacent facilities under the control of the organization licensee for the purpose of investigating criminal violations of this act or violations of rules and regulations of the commission.

(d) Denial of a concessionaire license by the commission shall be in accordance with the Kansas administrative procedure act. The commission may refuse to issue a concessionaire license to any business if any person having an ownership interest in such business, any person who is an officer of such business or any person employed by such business within the racetrack facility:

(1) Has been convicted of a felony in a court of any state or of the United States or has been adjudicated in the last five years in any such court of committing as a juvenile an act which, if committed by an adult, would constitute a felony;

(2) has been convicted of a violation of any law of any state or of the United States involving gambling or controlled substances or has been adjudicated in the last five years in any such court of committing as a juvenile an act which, if committed by an adult, would constitute such a violation;

(3) fails to disclose any material fact or provides information, knowing such information to be false, in connection with the application for the license; or

(4) has been found by the commission to have violated any provision of this act or any rule and regulation of the commission; or

(5) has failed to meet any monetary or tax obligation to the federal government or to any state or local government, whether or not relating to the conduct or operation of a race meet held in this state or any other jurisdiction.

(e) The commission may suspend or revoke the concessionaire license of any business for any reason which would justify refusal to issue such a license. Proceedings to suspend or revoke such license shall be conducted by the commission or its appointed hearing officer in accordance with the provisions of the Kansas administrative procedure act.

(f) The commission may provide by rules and regulations for the temporary suspension of a concessionaire license by summary adjudicative proceedings in accordance with the Kansas administrative procedure act upon finding that there is probable cause to believe that grounds exist for a permanent suspension or revocation of such license. Such suspension shall be for a period not exceeding 30 days. Upon expiration of such suspension, the license shall be restored unless the license has been suspended or revoked as a result of proceedings conducted pursuant to subsection (e).";

Re-number sections accordingly;

Add the following after section 6:

"Sec. 10. K.S.A. 1995 Supp. 74-8837 is hereby amended to

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read as follows: 74-8837. (a) No organization licensee or facility manager licensee shall permit any business not owned and operated by the organization licensee to provide integral racing or wagering equipment or services, as designated by the commission, to an organization licensee unless such business has been issued a racing or wagering equipment or services license by the commission. Such equipment and services include but are not limited to totalisator, photo finish, video replay and video reception and transmission equipment or services.

(b) Businesses required to be licensed pursuant to this section shall apply for racing or wagering equipment or services licenses in a manner and upon forms prescribed and furnished by the commission. The commission shall require disclosure of information about the owners and officers of each applicant and may require such owners and officers to submit to fingerprinting. The commission also may require disclosure of information about and fingerprinting of such employees of each applicant as the commission considers necessary. Racing or wagering equipment or services licenses shall be issued for a period of time established by the commission but not to exceed 10 years. The commission shall establish a schedule of application fees and license fees for racing or wagering equipment or services licenses based upon the type and size of business. The application fee shall not be refundable if the business fails to qualify for a license. If the application fee is insufficient to pay the reasonable expenses of processing the application and investigating the applicant's qualifications for licensure, the commission shall require the applicant to pay to the commission, at such times and in such form as required by the commission, any additional amounts necessary to pay such expenses. No license shall be issued to an applicant until the applicant has paid such additional amounts in full, and such amounts shall not be refundable except to the extent that they exceed the actual expenses of processing the application and investigating the applicant's qualifications for licensure.

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(c) The commission may require applicants as a condition of licensure to consent to allow agents of the Kansas bureau of investigation or security personnel of the commission to search without warrant the licensee's premises and personal property and the persons of its owners, officers and employees while engaged in the licensee's business within the racetrack facility or adjacent facilities under the control of the organization licensee for the purpose of investigating criminal violations of this act or violations of rules and regulations of the commission.

(d) Denial of a racing or wagering equipment or services license by the commission shall be in accordance with the Kansas administrative procedure act. The commission may refuse to issue a racing or wagering equipment or services license to any business if any person having an ownership interest in such business, any person who is an officer of such business or any person employed by such business within the racetrack facility:

(1) Has been convicted of a felony in a court of any state or of the United States or has been adjudicated in the last five years, in any such court of committing as a juvenile an act which, if committed by an adult, would constitute a felony;

(2) has been convicted of a violation of any law of any state or of the United States involving gambling or controlled substances or has been adjudicated in the last five years in any such court of committing as a juvenile an act which, if committed by an adult, would constitute such a violation;

(3) fails to disclose any material fact or provides information, knowing such information to be false, in connection with the application for the license; or

(4) has been found by the commission to have violated any provision of this act or any rule and regulation of the commission; or

(5) has failed or meet any monetary or tax obligation to the federal government or to any state or local government, whether or not relating to the conduct or operation of a race meet held

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in this state or any other jurisdiction.

(e) The commission may suspend or revoke the racing or wagering equipment or services license of any business for any reason which would justify refusal to issue such a license. Proceedings to suspend or revoke such license shall be conducted by the commission or its appointed hearing officer in accordance with the provisions of the Kansas administrative procedure act.

(f) The commission may provide by rules and regulations for the temporary suspension of a racing or wagering equipment or services license by summary adjudicative proceedings in accordance with the Kansas administrative procedure act upon finding that there is probable cause to believe that grounds exist for a permanent suspension or revocation of such license. Such suspension shall be for a period not exceeding 30 days. Upon expiration of such suspension, the license shall be restored unless the license has been suspended or revoked as a result of proceedings conducted pursuant to subsection (e).

(g) This section shall be part of and supplemental to the Kansas parimutuel racing act.";

Amend the title and repealer

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1 terminated by the commission, to properly conduct horse races or grey-
2 hound races, or both, and, if applicable, to operate a parimutuel wagering
3 system;

4 (3) if the applicant is proposing to construct a racetrack facility, the
5 applicant shall submit detailed plans for the construction of such facility,
6 including the means and source of financing such construction and op-
7 eration, sufficient to convince the commission that such plans are feasible;

8 (4) submit for commission approval a written copy of each contract
9 and agreement which the applicant proposes to enter into, including all
10 those listed in subsection (n), which contracts and agreements shall con-
11 form to the restrictions placed thereon by subsections (n), (o) and (p);

12 (5) the applicant shall propose to conduct races within only one
13 county, and in such county the majority of the qualified electors have
14 approved either: (A) The constitutional amendment permitting the con-
15 duct of horse and dog races and parimutuel wagering thereon; or (B) a
16 proposition permitting horse and dog races and parimutuel wagering
17 thereon within the boundaries of such county;

18 (6) no director, officer, employee or agent of the applicant shall have
19 been convicted of any of the following in any court of any state or of the
20 United States or shall have been adjudicated in the last five years in any
21 such court of committing as a juvenile an act which, if committed by an
22 adult, would constitute any of the following: (A) Fixing of horse or grey-
23 hound races; (B) illegal gambling activity; (C) illegal sale or possession of
24 any controlled substance; (D) operation of any illegal business; (E) re-
25 peated acts of violence; or (F) any felony; ~~and~~

26 (7) no director or officer of the applicant shall be addicted to, and a
27 user of, alcohol or a controlled substance.

28 (d) To qualify for an organization license to conduct horse or grey-
29 hound races, a nonprofit organization, other than a fair association, a
30 horsemen's nonprofit organization or a nonprofit organization conducting
31 races only on the state fair grounds, shall:

32 (1) Distribute all of its net earnings from the conduct of horse and
33 greyhound races, other than that portion of the net earnings which is
34 necessary to satisfy the debt service obligations, not otherwise deducted
35 from net earnings, of an organization licensee owning the racetrack facility
36 or that portion of the net earnings which is set aside as reasonable reserves
37 for future improvement, maintenance and repair of the racetrack facility
38 owned by the organization licensee, only to organizations, other than it-
39 self, which: (A) Have been exempted from the payment of federal income
40 taxes pursuant to section 501(c)(3) of the federal internal revenue code
41 of 1986, as in effect July 1, 1987, (B) are domiciled in this state and (C)
42 expend the moneys so distributed only within this state;

43 (2) distribute not more than 25% of such net earnings to any one

; and (8) no director or officer of the applicant has failed to
meet any monetary or tax obligation to the federal government or
to any state or local government, whether or not relating to the
conduct or operation of a race meet held in this state or any
other jurisdiction

1 be parties to such appeal. Any such appeal shall have priority over other
2 cases except those having statutory priority.

3 (o) *The commission may adopt rules and regulations regulating cross-*
4 *over employment between facility manager licensees and facility owner*
5 *licensees and organization licensees.*

6 Sec 5. K.S.A. 1995 Supp. 74-8818 is hereby amended to read as
7 follows: 74-8818. (a) The commission shall appoint *at least three individ-*
8 *uals to serve as full-time stewards or racing judges at each horse or grey-*
9 *hound race meeting, but not more than three such stewards or judges*
10 *shall be on duty at any one time at any racing performance.* One shall be
11 designated as the chief steward or chief racing judge and the other two
12 as associate stewards or associate racing judges. Such stewards and racing
13 judges shall be employees of the commission who shall serve at the pleas-
14 ure of the commission *under the supervision of the executive director* and
15 shall be in the unclassified service under the Kansas civil service act. The
16 commission also may contract with individuals to serve as stewards or
17 racing judges as needed in the absence of a full-time steward or racing
18 judge. The compensation of the stewards and racing judges shall be an
19 amount fixed by the commission and shall be paid by the commission.
20 The commission may require an organization licensee to reimburse the
21 commission for compensation paid to the stewards and racing judges for
22 their services performed at race meetings conducted by that organization
23 licensee. Any moneys received by the commission for that purpose shall
24 be remitted promptly by the commission to the state treasurer, who shall
25 deposit the entire amount in the state treasury and credit it to the racing
26 reimbursable expense fund created by K.S.A. 74-8527 and amendments
27 thereto. All other racing officials at a race meeting shall be approved by
28 the commission and compensated by the organization licensee. The stew-
29 ards, racing judges and other racing officials shall enforce the civil pro-
30 visions of this act and any rules and regulations of the commission and
31 shall submit written reports of the activities and conduct of the race meet-
32 ings to the commission.

33 (b) ~~Except in the case of an otherwise qualified employee of the com-~~
34 ~~mission serving as a racing judge or steward on a temporary basis,~~ each
35 steward or racing judge shall be required to obtain an occupation license
36 from the commission pursuant to K.S.A. 74-8816 and amendments
37 thereto prior to performing any duties as a steward or a judge.

38 (c) The commission shall require each applicant for a license as a
39 steward or racing judge to pass an examination on matters relating to the
40 duties of stewards or racing judges unless the applicant submits proof
41 satisfactory to the commission that the applicant has passed an exami-
42 nation in another jurisdiction which the commission finds equivalent to
43 the examination given by the commission. Examinations shall be held at

, except that an unlicensed employee of the
commission may serve as a steward or racing
judge on a temporary basis if the employee has
had the same criminal history record check,
background investigation and training, and has
passed the same examination, as required for
other stewards and racing judges

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Proposed Amendments to S.B. 708

- (1) Combine S.B. 663 and S.B. 708 into one bill, a substitute for S.B. 708

- (2) Add the following provisions to the substitute bill
 - Authorize the Racing Commission to operate any gambling games and devices that the Kansas Lottery are authorized to operate under law or that Indian nations are authorized to operate under tribal-state gaming compacts; authorize the Commission to negotiate and enter into contracts for that purpose as the Commission determines to be in the best interests of the state
 - Allow operation of the games only at licensed racetrack facilities in counties where the county commission has submitted to the voters a proposition approving operation of the games at racetracks in the county and a majority of the voters voting on the proposition has approved the proposition
 - Provide for the racing commission to designate a percentage of the net revenues from operation of the games to go for purse enhancements; credit the remainder of the net revenues to the state general fund

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