

.Approved: _____

Date

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS.

The meeting was called to order by Senator Lana Oleen on first adjournment at 10:45 a.m. On April 27, 1996 in Room 254-E of the Capitol.

Members present were: Senator Oleen, Chair
Senator Tillotson, Vice Chair
Senator Jones, Ranking Minority Member
Senator Gooch
Senator Hensley
Senator Jordan
Senator Papay
Senator Praeger
Senator Ramirez
Senator Vidricksen
Senator Walker

Members not present:

Committee staff present: Mary Torrence, Revisor
Nancy Wolff, Committee Secretary

Conferees Appearing Before the Committee:
Terry Hamblin, Kansas Racing Commission

Senator Burke appeared before the committee to request the introduction of a bill which came out of talks with the Governor, Myron Scafe and a number of legislators from both the House and the Senate. He stated that the draft would accomplish in helping out the breeds. He stated that it was his belief that casino gambling is wrong for the State and it was his desire to help the industry and the tracks survive. He stated that the bill would divert E.D.I.F. Funds to benefit the breeds by transferring funds to the Kansas horse breeding development fund and the Kansas greyhound breeding development fund.

Senator Ramirez asked Senator Burke why the bill was not introduced earlier in the session. Senator Burke responded that the bill was independent to **Sub for SB754**.

Terry Hamblin, attorney for the Kansas Racing Commission gave an overview of the proposed legislation (Attachment 1).

Senator Hensley made a motion to introduce the bill and Senator Tillotson seconded the motion. The motion carried.

The meeting was adjourned at 12:15 p.m.

PLAN FOR AIDING THE PARIMUTUEL INDUSTRY

1. Amend K.S.A. 74-8826(c) to modify transfers from state racing fund to state gaming fund. Provide that the amounts that would have been transferred, up to \$2.4 million annually prorated monthly to a prescribed ceiling of \$200,000 per month; provided however that if any given month there is not \$200,000 available for transfer the shortfall may be made up in a succeeding month, to be used 75% for purses and 25% for breed development funds, K.S.A 74-8829 and K.S.A. 74-8831, the remainder could then be transferred to the state gaming fund as in the past.

Distribute the purse and breed development moneys based upon the source of funds. See, attached money flow chart.

2. Amend K.S.A. 74-8831, Greyhound breeding development fund, as follows:

(b)(1) reduce the percentage to the greyhound tourism fund to 5%. This should continue to generate about the same amount of money as before.

(b)(2) to provide 20% to greyhound research. The greater amount of money going into this fund will offset the reduction in the percentage which will keep research funds at relatively the same dollar level as in the past.

(b)(3) to provide that 65% of the money credited to the fund go to stakes for Kansas whelped greyhounds.

Add a new b(4) to provide that 10% of the moneys credited to the fund may be spent at the commission's discretion for promotion of greyhound parimutuel racing including, but not limited to, providing matching advertising and promotion funds to individual race tracks at the commission's discretion.

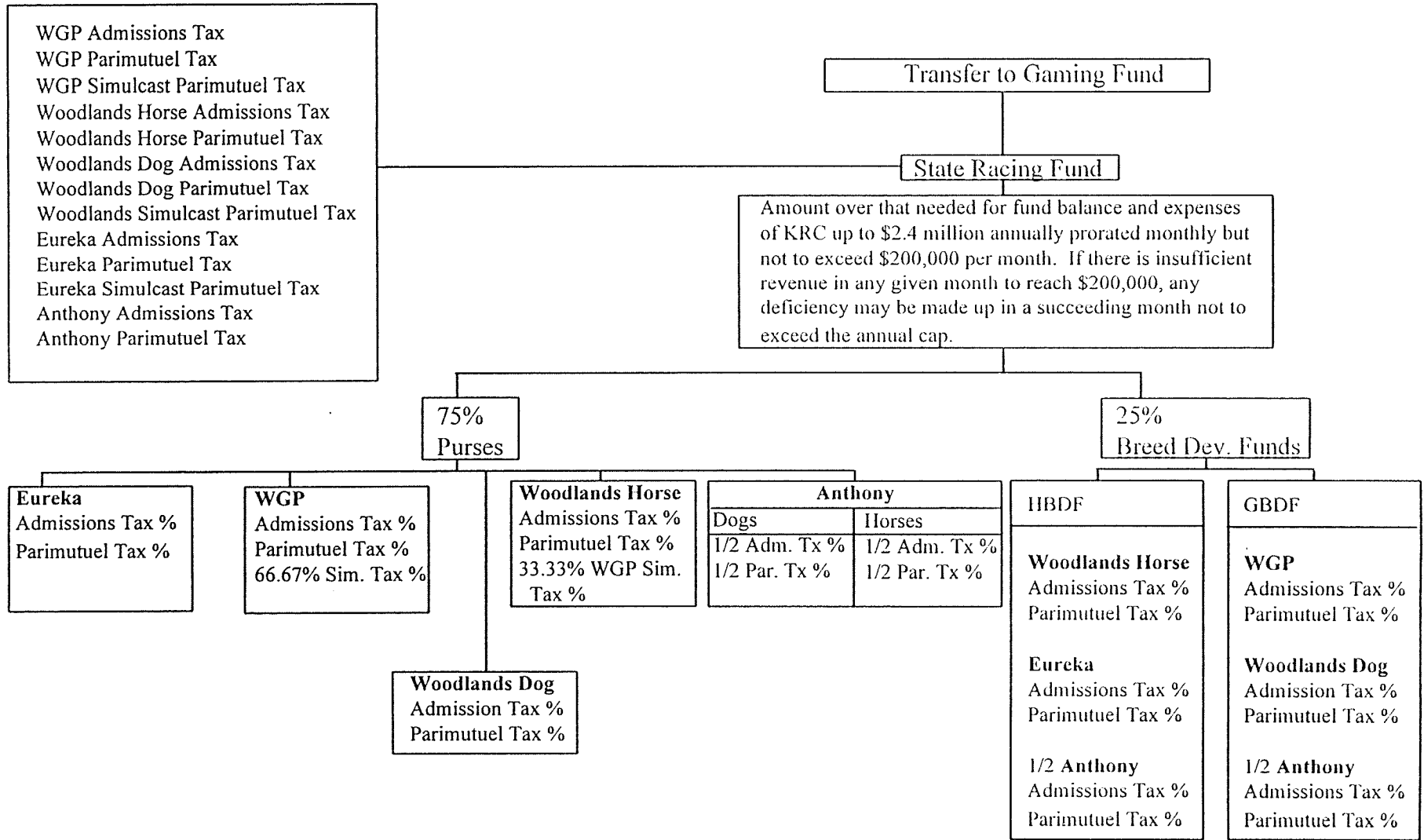
3. Amend K.S.A. 74-8829, horse breeding development fund, as follows:

Add a provision to provide that 10% of the moneys credited to the fund may be spent at the commission's discretion for promotion of parimutuel horse racing including, but not limited to, providing matching advertising and promotion funds to individual race tracks at the commission's discretion.

Provide that the remaining 90% of moneys credited to the fund be distributed as provided in (b)(1)-(4).

*Attachment 1
Federal and State Affairs
4/27/96*

Plan for Aiding the Parimutuel Industry Money Flow Chart



Kansas Racing Commission
 Greyhound Breeding Development Fund
 June 30, 1995

	<u>50%</u> <u>Stakes</u>	<u>15%</u> <u>Greyhound</u> <u>Tourism</u>	<u>35%</u> <u>Research</u> <u>Grants</u>	<u>Total</u>
<u>FY 95</u>				
Beginning balance	47,519.43	0.00	268,428.84	315,948.27
Revenue	359,922.01	107,976.60	251,945.39	719,844.00
Expenses	(359,557.70)	(107,976.60)	(253,897.00)	(721,431.30)
Balance @ 6-30-95	<u>47,883.74</u>	<u>0.00</u>	<u>266,477.23</u>	<u>314,360.97</u>

FY 95 revenue	719,844.00
New revenue	531,720.00
Total	<u>1,251,564.00</u>

New revenue amount is based upon a cap of \$2,400,000.

<u>Proposed %:</u>				
<u>65%</u> <u>Stakes</u>	<u>10%</u> <u>Promotion</u>	<u>5%</u> <u>Greyhound</u> <u>Tourism</u>	<u>20%</u> <u>Research</u> <u>Grants</u>	<u>Total</u>
<u>813,517.00</u>	<u>125,156.00</u>	<u>62,578.00</u>	<u>250,313.00</u>	<u>1,251,564.00</u>

Kansas Racing Commission
Revenue Comparisons
April 26, 1996

	<u>3-31-96</u> <u>FY 96</u>	<u>Actual</u> <u>FY 95</u>	<u>Actual</u> <u>FY 94</u>	<u>Actual</u> <u>FY 93</u>
Gross revenue receipts	<u>3,708,934</u>	<u>6,169,601</u>	<u>8,052,472</u>	<u>7,604,345</u>

	<u>3-31-96</u> <u>FY 96</u>	<u>Actual</u> <u>FY 95</u>	<u>Actual</u> <u>FY 94</u>	<u>Actual</u> <u>FY 93</u>
Gaming fund transfer	1,891,644	4,073,564	5,963,172	5,822,044
Reimbursable salary expense	716,829	844,654	736,427	654,186
Available for transfer	<u>1,174,815</u>	<u>3,228,910</u>	<u>5,226,745</u>	<u>5,167,858</u>

Note: The available for transfer amount would be the available funds if the reimbursable salary expenditures were financed by the Racing Fund instead of Racing Reimbursable Expense Fund.

FY 95 REVENUE by LOCATION

<u>TRACK</u>	<u>PARIMUTUEL</u>	<u>ADMISSION</u>	<u>SIMULCAST</u>	<u>DAILY LIC FEE</u>	<u>TOTAL</u>
KC Horse	210,264	10,580	0	0	220,844
KC Greyhound	2,362,352	98,191	827,719	60,000	3,348,262
Wichita	2,048,385	67,832	139,774	52,200	2,308,191
Camptown	112,294	7,583	0	38,600	158,477
County Fair	21,661	3,104	4,461	2,000	31,226
Total for FY 95	<u>4,754,956</u>	<u>187,290</u>	<u>971,954</u>	<u>152,800</u>	<u>6,067,000</u>

The simulcast tax and daily license fee for the Kansas City track are for both the greyhound and horse activity.