

Approved: 2-3-97  
Date

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS.

The meeting was called to order by Senator Lana Oleen at 11:05 a.m. on January 27, 1997 in Room 254-E of the Capitol.

All members were present except: Senator Sherman Jones - excused

Committee staff present: Mary Galligan, Legislative Research Department  
Theresa Kiernan, Revisor of Statutes  
Midge Donohue, Committee Secretary

Conferees appearing before the committee:  
Myron Scafe, Executive Director  
Gene Olander, Chairman  
Kathy O'Donnell  
Kansas Racing and Gaming Commission

Senator Oleen introduced Myron Scafe, Executive Director of the Kansas Racing Commission, who explained the structure of the Commission, (Attachments #1 and 2), and gave a brief biographical sketch of each of its members.

Mr. Scafe advised that Camp Town had gone into bankruptcy with the case being remanded to district court where it is going through foreclosure proceedings at the present time. He said the discovery motion was filed in August, with the final date for discovery January 29.

He indicated that attendance is down, as is the handle, at the Greyhound Park in Wichita and 1996 was the first year it lost money. As a result, a request was made to the Commission to allow a portion of charity monies to be put into a promotional effort to bring in new customers and bring back old customers. Mr. Scafe added it was too early to assess the effect of that effort.

Mr. Scafe explained that the Woodlands had year around greyhound meets. He said, however, it was believed its financial difficulties were caused by the horse track; they went to a shorter season for the horses and it turned out to be the best they have had. In response to a question from Senator Oleen, Mr. Scafe said the closing of other tracks may have had an impact; that there were more applications for horses than could be accommodated for the last season and more horses than the track could house.

He went on to say that in June, the Woodlands filed a plan of reorganization, and Mr. William Grace of St. Joseph, Missouri, purchased the notes for Woodlands. According to Mr. Scafe, if Mr. Grace is successful in permanently acquiring the Woodlands, he wishes to continue the races but has indicated he will develop the site if parimutuel betting is discontinued. He added that Mr. Grace has a contract to build an Indian casino for the Iowa Tribe.

Senator Becker inquired about rumors circulating concerning Indian casinos, and Mr. Scafe said he could not address the validity of those rumors.

Ms. Galligan advised that no Tribe has a compact with the State of Kansas for casino operations anywhere in Wyandotte County and, under current federal law, a compact with the state would need to be in place first. She stated that, under state law, any compact would have to be approved by both houses of the legislature and approved by the U. S. Department of the Interior.

Kathy O'Donnell, Parimutuel Division of the Racing Commission, was then introduced and provided information on the Woodlands (Attachment #3) and the Wichita Greyhound Park (Attachment #4) handle and live simulcast, explaining month by month comparisons for 1995-96.

In the interest of time, Senator Oleen requested that Ms. O'Donnell, or a representative of the Racing Commission be present at the Senate Federal and State Affairs Committee meeting tomorrow to respond to questions Committee members might have.

Ms. Galligan clarified the definition of "trust" land as opposed to "after acquired" land, explaining that trust

## CONTINUATION SHEET

MINUTES OF THE SENATE FEDERAL & STATE AFFAIRS COMMITTEE, Room 254-E, Statehouse, at 11:05 am on January 27, 1997.

land was land held prior to 1988, which is before the IGRA became effective.

Senator Oleen then introduced Gene Olander whose reappointment to fill a four year term on the Kansas Racing and Gaming Commission comes before the Committee for consideration. He currently serves as the Commission chairman.

Mr. Olander stated that he had the longest tenure of any member on the Racing Commission and explained how the turnover had come about. He said he believes the operation of the Commission has smoothed out tremendously since his initial appointment.

Mr. Olander mentioned that the Commission had received criticism in an earlier Legislative Post Audit Report but those areas had been addressed and he would welcome another audit to determine if the agency is in compliance with the suggestions and recommendations set out in the audit. Senator Oleen assured Committee members that a follow-up report by Legislative Post Audit during the interim was good and the report would be made available to them.

Mr. Olander reported that the state of the racing industry is not good and is showing a decline in revenue month after month.

He concluded by expressing his interest in the opportunity to continue serving on the Commission and stood for questions.

Questions posed concerned Indian casinos, to which he replied that the Commission has very little jurisdiction over them. He then addressed questions regarding pre-employment background investigations, adding that no one is hired until the investigations are completed.

Mr. Olander responded to Senator Oleen's question on his rapport with the industry, by saying he felt he enjoyed a good relationship with the industry.

The meeting adjourned at 12:00 noon; the next meeting is scheduled for January 28, 1997.



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\*Pending confirmation by 1997 Kansas Senate

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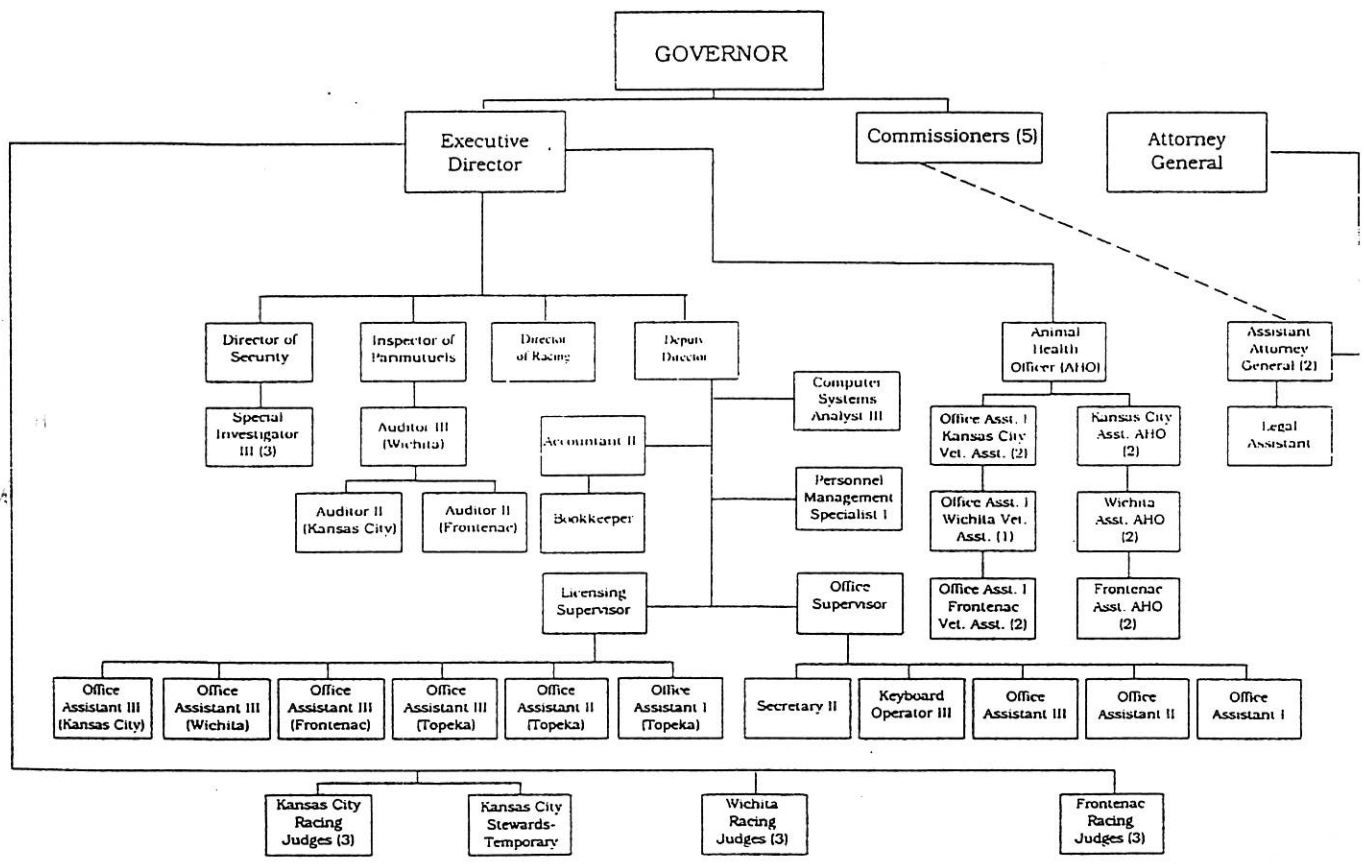
Sen. Federal & State Affairs Comm.  
Date: 01-27-97  
Attachment: #1

**NARRATIVE INFORMATION -- DA 400**  
**DIVISION OF THE BUDGET**  
**STATE OF KANSAS**

AGENCY NAME Kansas Racing and Gaming Commission  
 AGENCY NUMBER 553-00 FUNCTION NO. 01  
 PROGRAM TITLE AND NUMBER Operations 70000  
 SUBPROGRAM TITLE AND NUMBER \_\_\_\_\_

3  
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DOB USE ONLY



# Kansas Racing & Gaming Commission

Woodlands handle live/simulcast 96/95

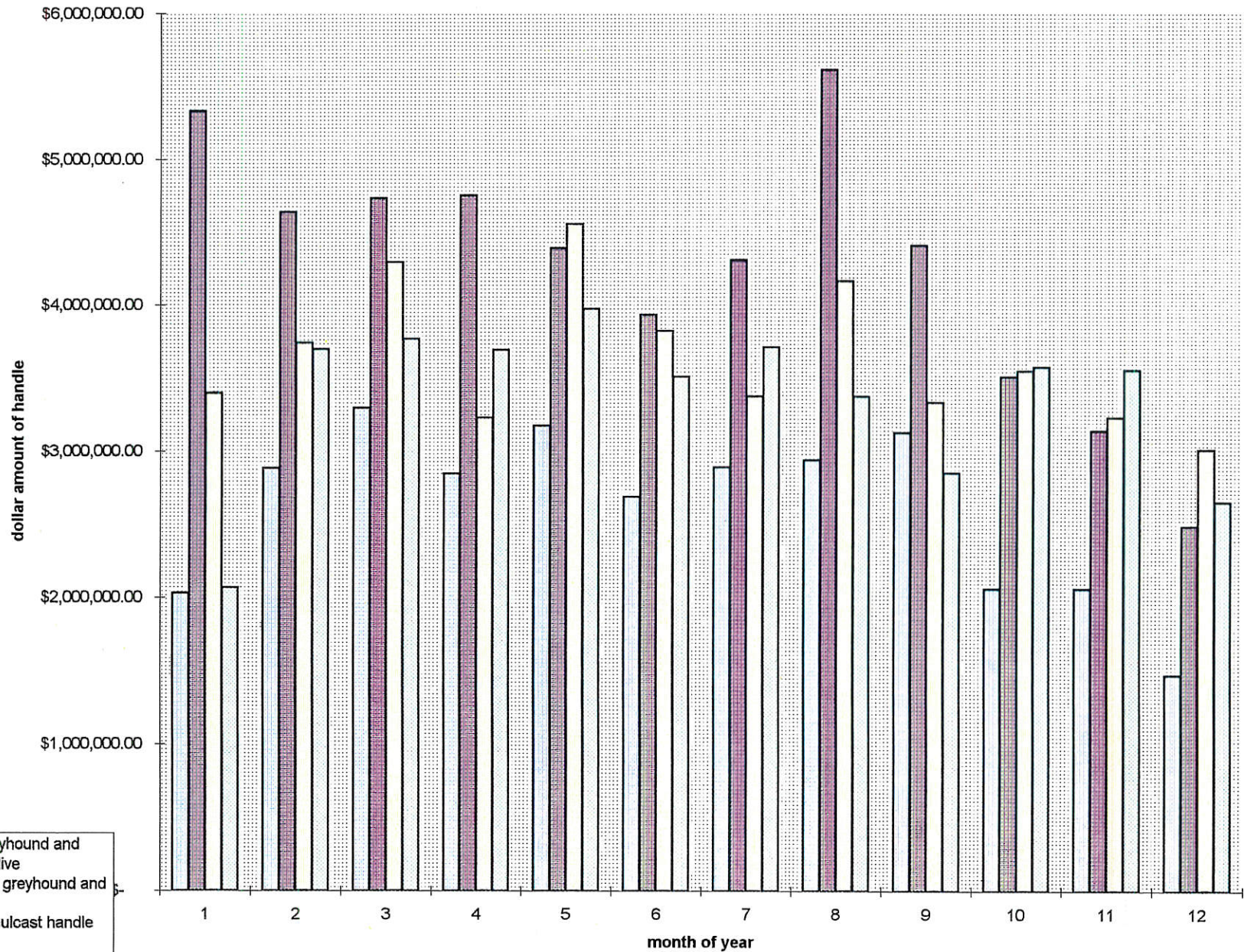


Chart4  
Kansas Racing & Gaming Commission  
Woodlands Handle Comparison 96, 95 & 94

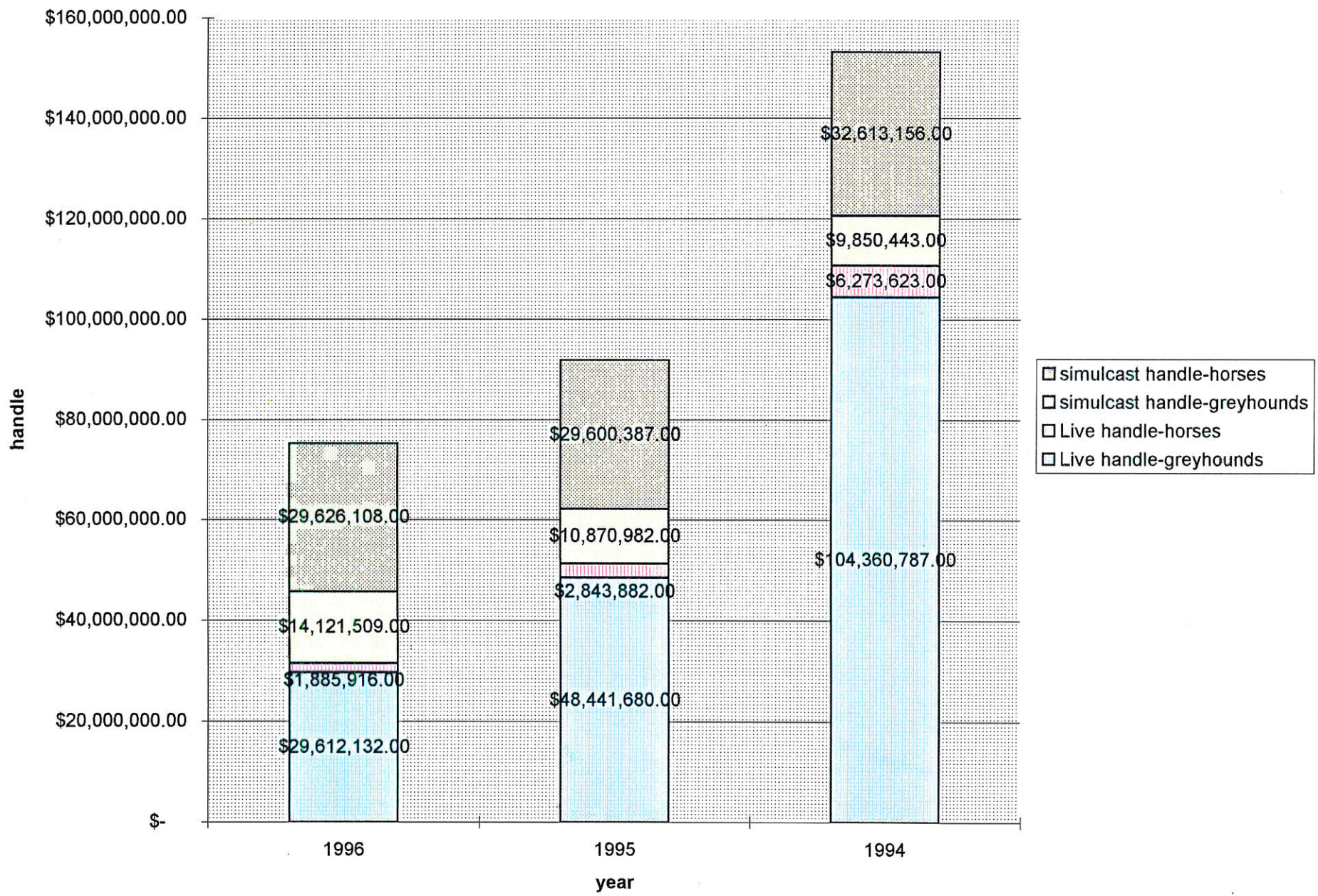


Chart6

Kansas Racing & Gaming Commission  
Woodlands % change for 94 to 95 & 95 to 96 of handle

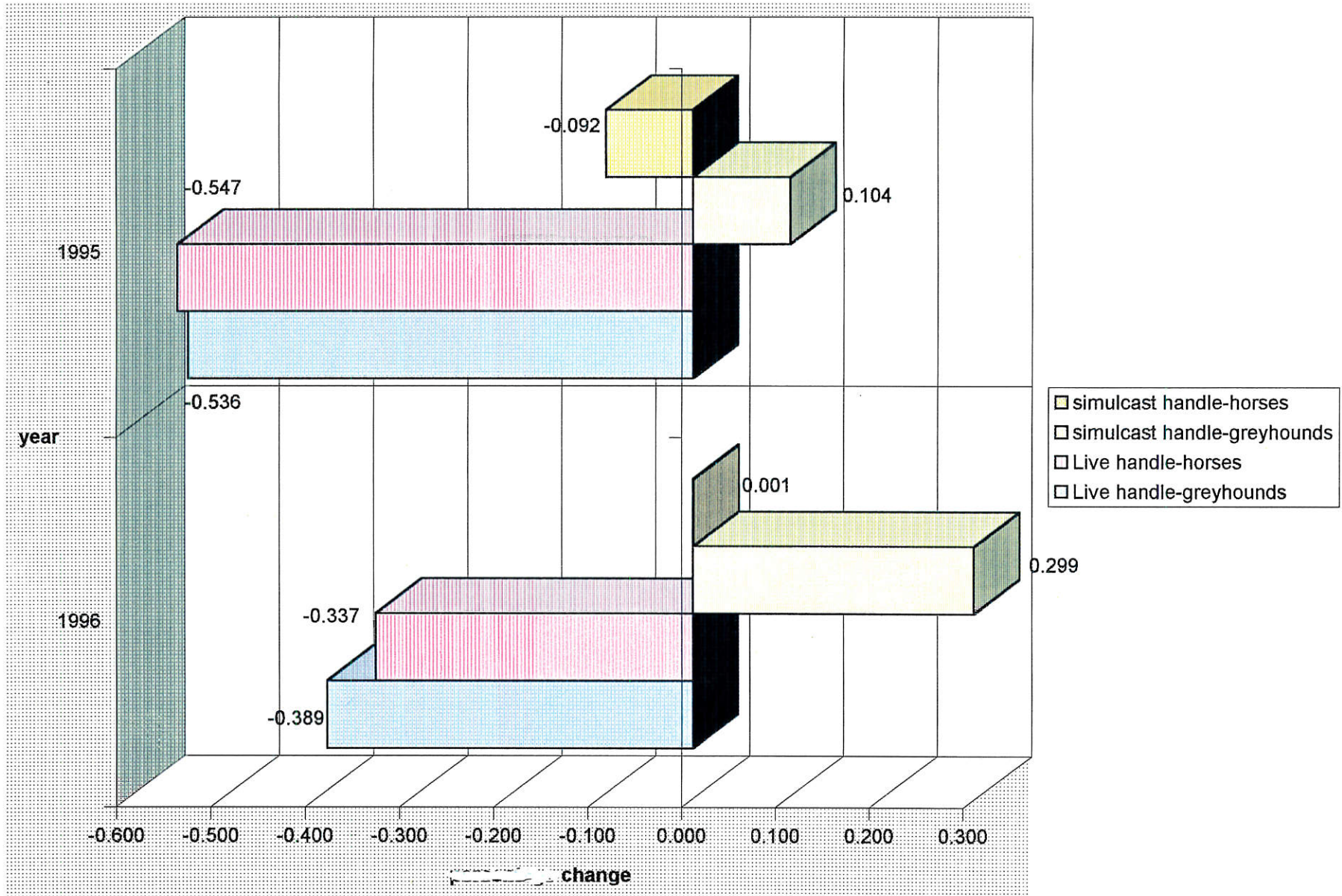
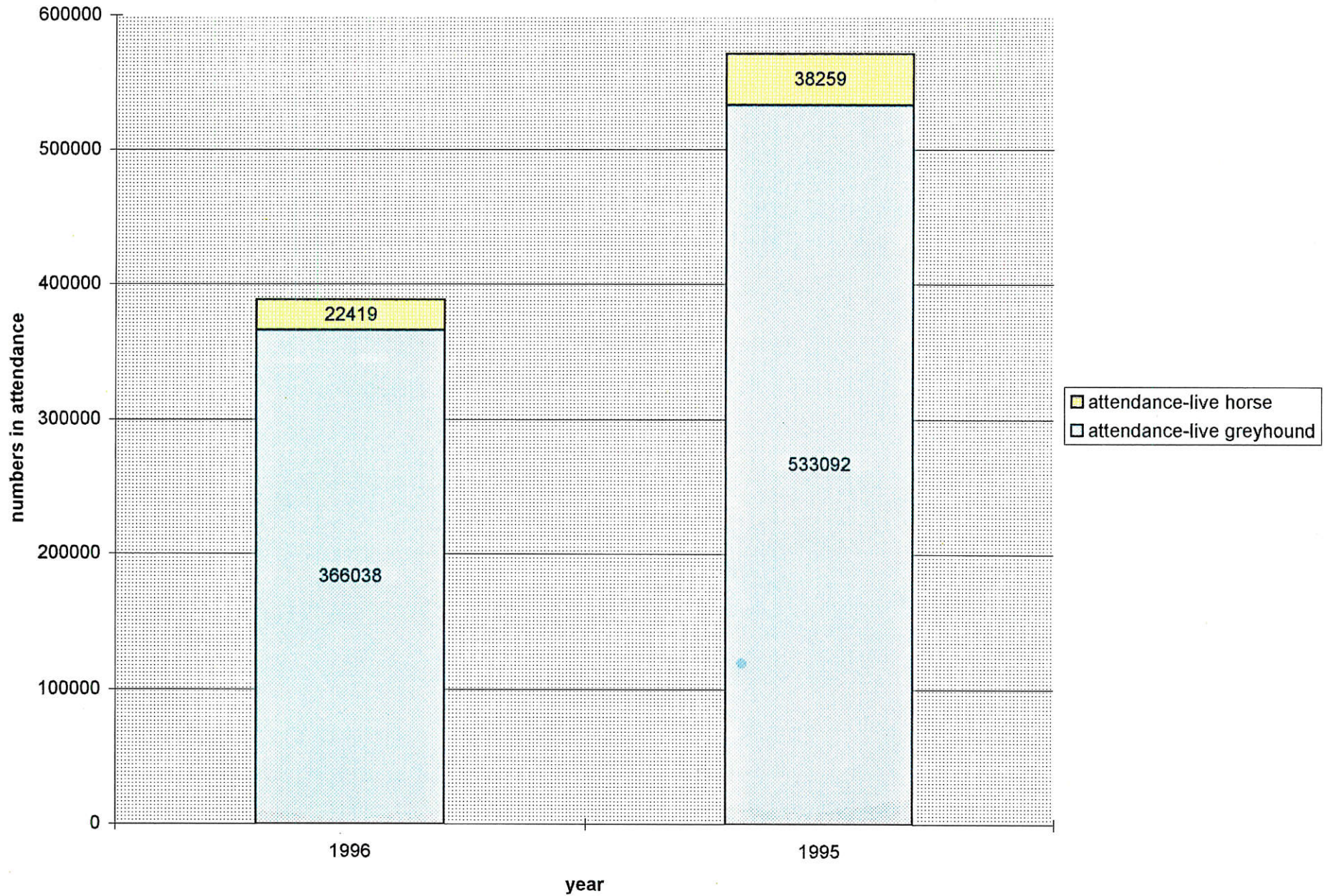


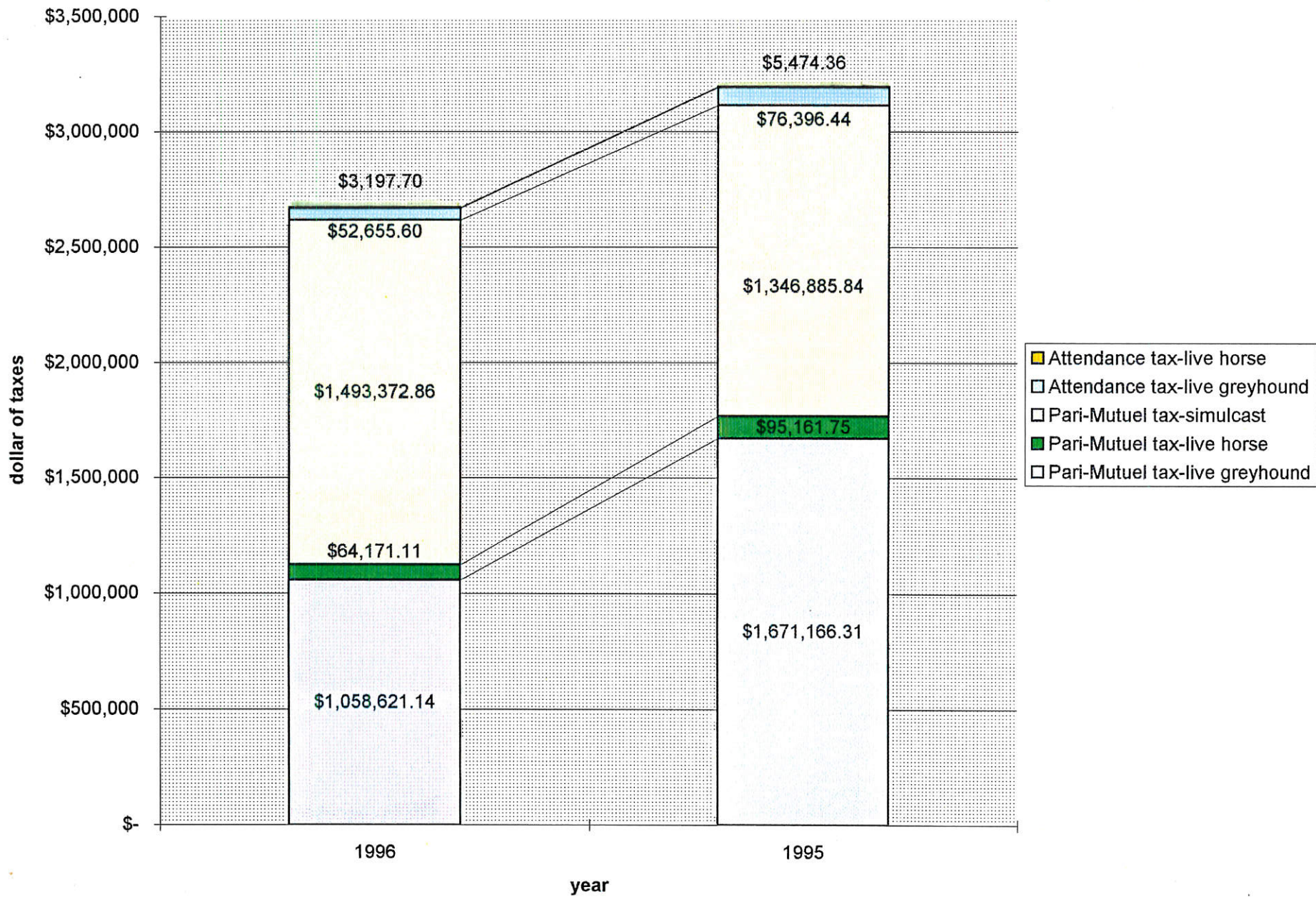


Chart3

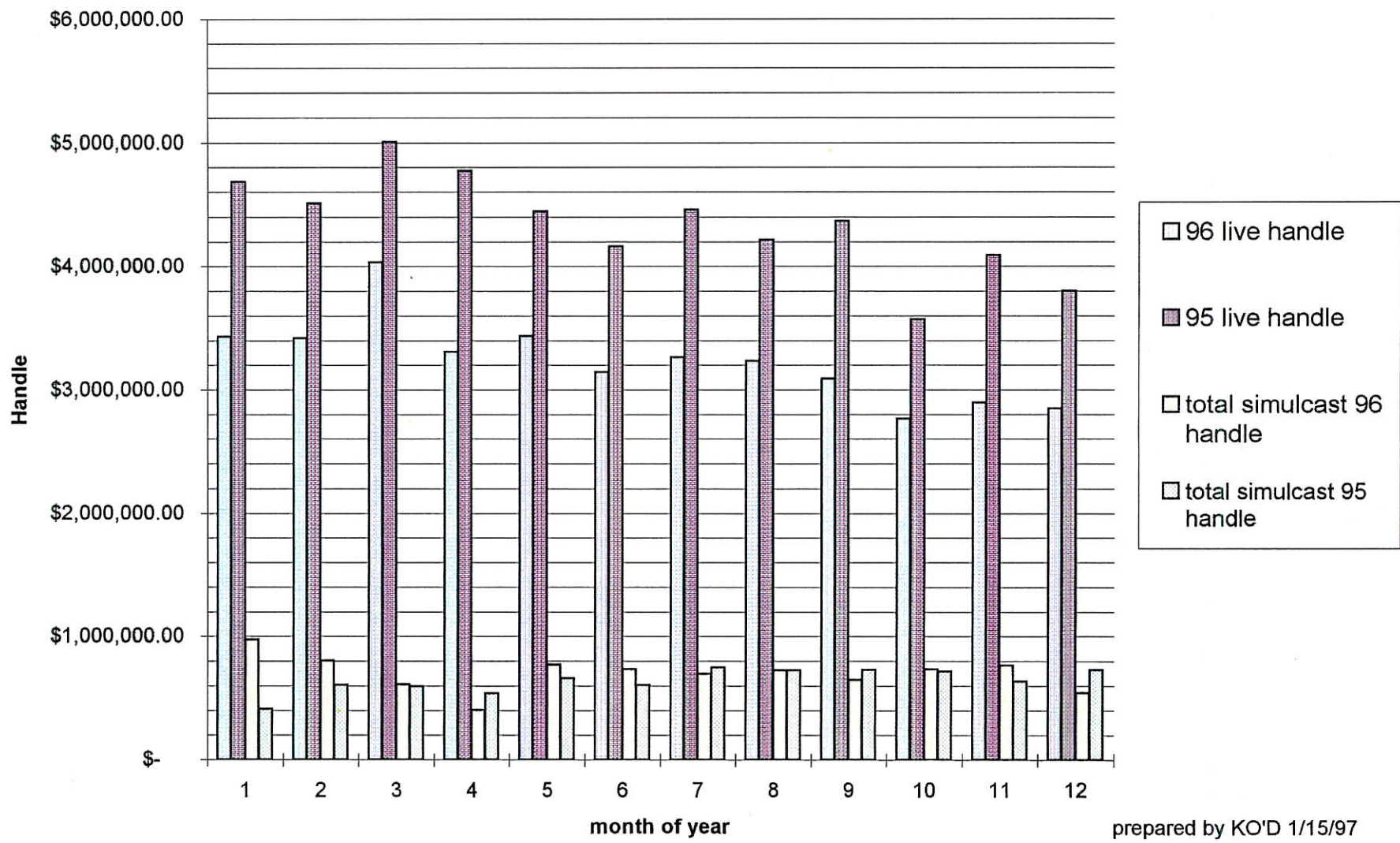
### Kansas Racing & Gaming Commission Woodlands Attendance 1996 & 1995 comparison



### Kansas Racing & Gaming Commission Woodlands Pari-Mutuel & Attendance tax comparison 96/95



### KANSAS RACING & GAMING COMMISSION WGP Live/Simulcast handle 95/96 by month



prepared by KO'D 1/15/97

### KANSAS RACING & GAMING COMMISSION WGP Handle Comparison 96, 95, & 94

simulcast handle  
live handle

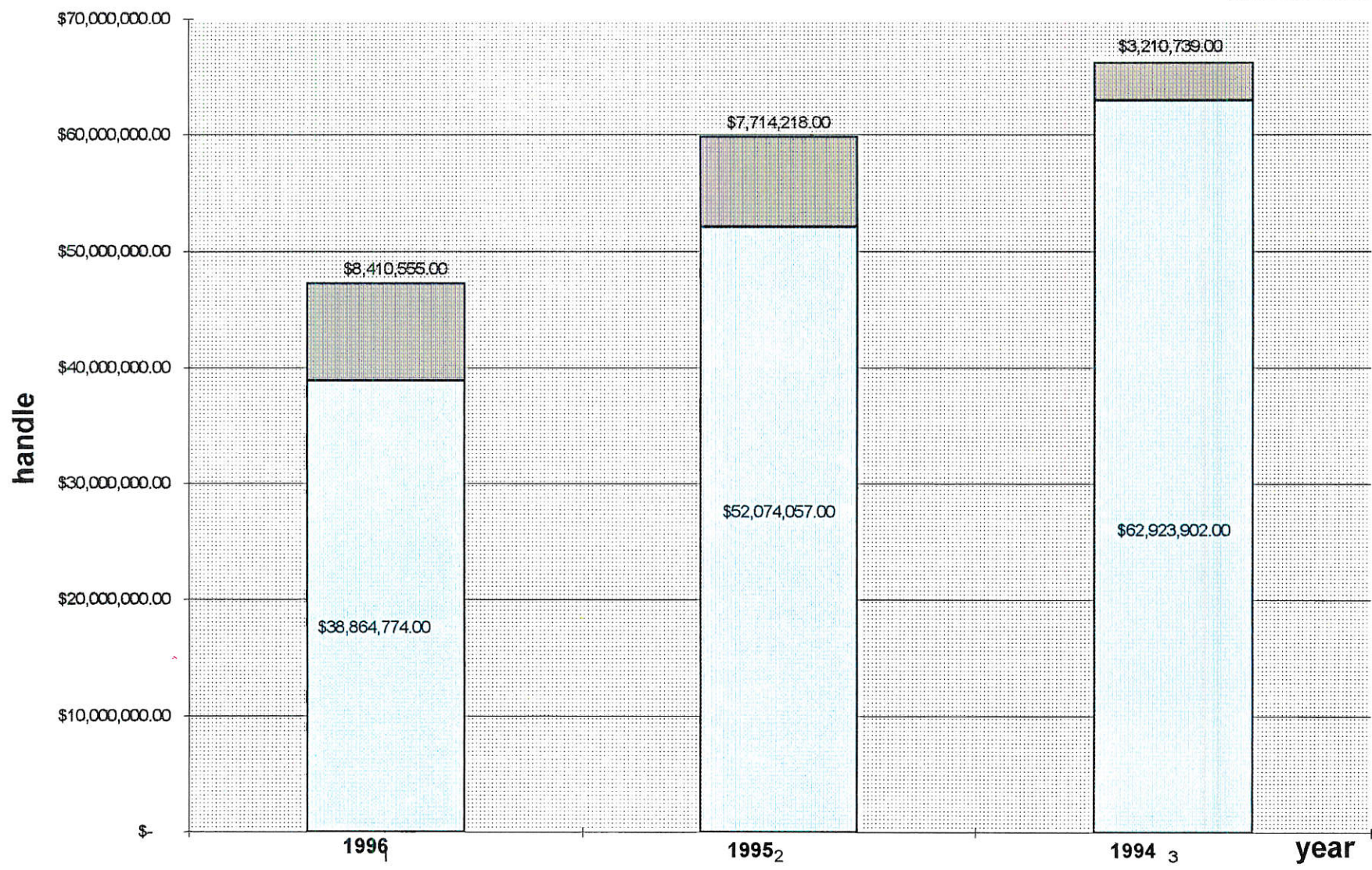
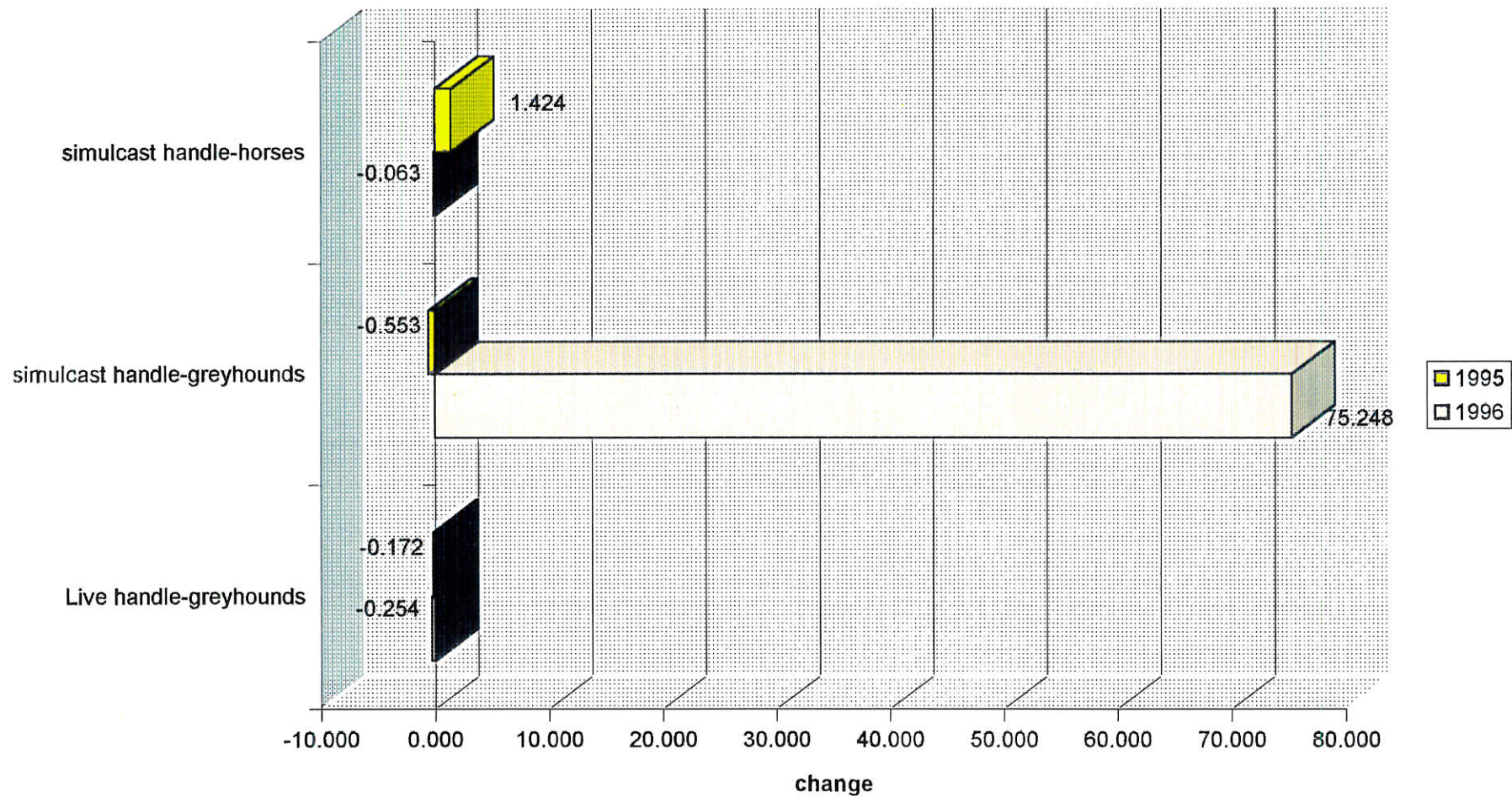
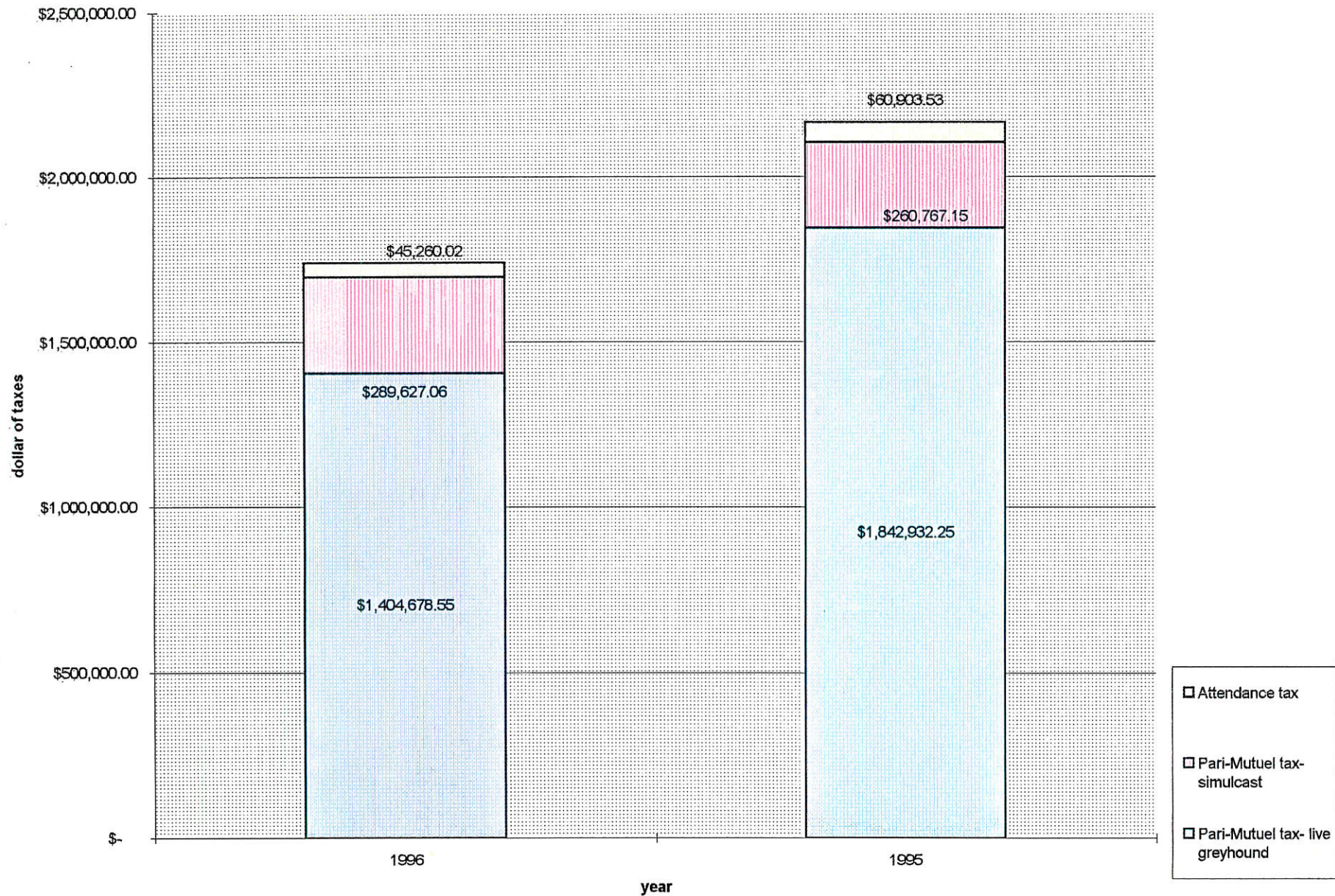


Chart7

### Kansas Racing & Gaming Commission WGP % change for 94 to 95 & 95 to 96



### Kansas Racing & Gaming Commission Pari-Mutuel & Attendance tax comparison 96, 95 WGP



### Kansas Racing & Gaming Commission WGP Attendance 1996 & 1995 comparison

