

Approved: 4-1-98
Date

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS.

The meeting was called to order by Senator Lana Oleen at 9:10 a.m. on March 30, 1998, in Room 254-E of the Capitol.

All members were present except:
Senator Laurie Bleeker - excused

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

Conferees appearing before the committee:
Ms. Helen Stephens, Kansas Peace Officers Association and the Kansas Sheriffs' Association, Topeka
Detective Howard Haile, Riley County Police Department, Manhattan
Mr. Gary Smith, Orion Stables, Olathe
Mr. Ron Gaches, Wichita Greyhound Park, Inc., Topeka
Mr. Lee Smith, Kansas Quarter Horse Racing Association, Independence
Mr. Myron Scafe, Executive Director, Kansas Racing Commission

Others attending: See attached list

The meeting opened with a briefing by staff on **SB 690**, relating to administering an illegal substance. Staff explained that the bill would create a new law making it a Class A person misdemeanor for the unlawful administering of a substance in food or beverage without the consent of the individual.

Senator Oleen told the committee the testimony it would be hearing this morning would be on a proposed version of the bill that was being offered.

The hearing was opened on:

SB 690 **An act concerning crimes and punishments; creating the crime of unlawful administration of a substance**

Helen Stephens, representing the Kansas Peace Officers Association and the Kansas Sheriffs' Association, (Attachment #1) appeared in support of the bill. She said the primary intent of **SB 690** was to address date rape. Ms. Stephens indicated that the Associations she represents agree the contents of the bill, as written, are too broad and, as a result, a proposed amendment was offered to include all controlled substances, as well as those not yet on that list. She reviewed the provisions of the proposed amendment and told the committee it was not the intent to limit any controlled substance for legitimate use, but that it was felt the proposed amendment is needed in today's environment. Ms. Stephens urged favorable consideration of the amendment.

Detective Howard Haile, a detective with the Riley County Police Department, Manhattan, told the committee he was appearing as a concerned police officer and citizen in support of **SB 690** (Attachment #2). Detective Haile described Gamma HydroxyButyrate (GHB) and explained its effect when ingested. He described it as a home made drug which metabolizes in an individual's system in a few hours, leaving no trace that the individual has been drugged. Because of this, he said it has the potential of being a very dangerous "date rape" drug. Haile showed the committee what the drug looked like and said it is usually carried in a vial. He said the drug had a large following in his community and particularly in communities with a large concentration of college students. He suggested that the committee consider making possession, distribution or manufacture of GHB by anyone other than a reputable pharmaceutical company or a licensed physician a level 9 person felony. He stated that the sooner the police and courts have the ability to deal with this problem, the better for all concerned.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS, Room 254-E,
Statehouse, 9:10 a.m. on March 30, 1998

Written testimony (Attachment #3) in support of **SB 690** was entered into the record from:

Dr. Jay Reppert, Acting Chief of Staff, Lafene Health Center, Kansas State University
Bill Arck, M.S., Director of the Alcohol and Other Drug Education Service, Kansas State
University

There were no opponents to the bill and the hearing was closed.

The hearing was opened and continued on:

HB 2510 An act amending the Kansas parimutuel racing act

Mr. Gary Smith, Olathe, on behalf of Orion Stables and other horse owners in the state, spoke in opposition to the proposed amendment to **HB 2510** which would authorize the Commission to determine the percentage of takeout from simulcast races that would be allocated for purses, (Attachment #4) He said current law had input from the Kansas Racing Commission, greyhound groups and all horse racing groups in order for all to be treated fairly, and it would be counterproductive to change the law because it would significantly impact live racing, and Kansas racing would suffer. Mr. Smith told the committee that safeguards are already in place; that the thoroughbred owners and others oppose any change to regulations without a thorough review by working groups representing all parties involved and advancement through channels.

The chair called attention to a chart prepared by staff which drew a comparison of current law with that proposed in **HB 2510** as it relates to distribution of simulcast takeout (Attachment #5). Staff reviewed the chart and pointed out that the committee may want to add clarifying language when working the bill to ensure that the balance after tax and purses stays with the licensee.

The chair, noting the time, announced that the hearing would be temporarily suspended because the Senate was scheduled to convene at ten o'clock. She indicated the hearing would continue upon adjournment.

The hearing reconvened on **HB 2510** at 10:35 a.m.

Mr. Ron Gaches, representing the Wichita Greyhound Park, Inc., spoke in support of **HB 2510**, (Attachment #6). He addressed the provision authorizing the Commission to determine the percentage of takeout from simulcast races that would be allocated for purses. He referred to it as an accounting issue that results in a difficult administrative burden on the track where a simulcast is broadcast, as well as on the Racing Commission. Mr. Gaches told the committee the proposed amendment would simplify a necessary procedure, reduce accounting costs for the track and ease an oversight function of Commission staff. He urged the committee to favorably report **HB 2510**.

Mr. Lee Smith, spokesperson for the horse racing industry, offered testimony in support of **HB 2510**, along with two proposed amendment provisions (Attachment #7). He discussed the proposed amendments attached to his written testimony; the first he said would allow the Racing Commission to comply with current law as it relates to accounting procedures. The second proposed amendment addressed the distribution of money generated for purses from simulcasting of horse races at a greyhound park that does not offer live horse racing. Mr. Smith told the committee the amendments he proposed would benefit more horsemen of the state which in turn would add to the agriculturally based economy of Kansas. He asked for favorable consideration of the proposals.

Mr. Myron Scafe, Executive Director of the Racing Commission, was recognized and asked to respond to a committee member's question about whether a track could recover actual expenses if they exceeded income from that race. Mr. Scafe replied that, from a bookkeeping standpoint, it is impossible to determine what actual expenses are until billing is received on charges for the simulcast which could be anywhere from thirty to sixty days. As a result, he said the Commission is unable to comply with current law in that regard and existing language needs to be updated.

The meeting adjourned at 11:00 a.m. The next meeting is scheduled for April 1, 1998.

SENATE FEDERAL & STATE AFFAIRS COMMITTEE
GUEST LIST

DATE: 3/30/98

NAME	REPRESENTING
Gary SMITH	Horse owner
LEE Smith	KDHRA, Horseman
Betty Smith	KQ HRA
Howard E. Haik Jr.	Riley Co. Police Dept.
Dolan Stephens	KPOA/KSA
Myron E. Cook	KRGC
Shirley K. Bower	KRGC
Ann Haches	Wichita Greyhound Park

KANSAS PEACE OFFICERS ASSOCIATION

March 30, 1998

Senate Committee on Federal and State Affairs

Senate Bill 690

Madam Chair and Members of the Committee:

I am Helen Stephens representing the Kansas Peace Officers Association. First, I would like to thank the Chair and the Committee for introducing SB 690 and having this hearing so late in the session. The primary issue we are attempting to address is an important one - date rape.

I will be speaking to the bill only. Others will speak to GHB, ketamine, and other drugs that have been used around the country for the purpose of date rape, what has occurred in Kansas, and the effects on the above drugs.

SB 690, as introduced, was based on a Delaware bill. We agree with many of you that the contents of SB 690 were too broad. Colorado, Texas, North Carolina, and Iowa are some of the states that have addressed this issue in various ways. I understand that 10-12 states have passed legislation similar to SB 690 with my proposed amendment.

Needless to say, since the introduction of SB 690 I have had numerous conversations with those representing manufacturers of controlled substances; Brad Smoot being one. Mr. Smoot was as surprised as I to learn there was no law against slipping someone a "Mickey". For this and other reasons, Brad and I (with input from Hoffman & LaRouche), developed the attached proposal Friday evening. Instead of just limiting this to the three drugs and the industrial solvent (paint thinner), it was decided to include all "controlled substances" and name those not yet on the controlled substances list.

We believe Section 1 is quite clear in its intent -- "... administering a substance to another person without consent for the purpose of impairing such other person's physical or mental ability to appraise or control such person's conduct".

Section 1(b) is the definition for "unlawful administration of a substance", which means any method of causing the ingestion by another person of a controlled substance, gamma hydroxybutyric acid (GHB), ketamine or butyrolactone into any food, beverage, or other consumable that the offender knows, or should know, would be consumed by such other person. My understanding is that butyrolactone is an industrial solvent and is used as a base for GHB. Those that follow will detail why we believe this solvent should be included.

Section 1(c) specifies that subsection (a) would not prohibit administration of the above substances for lawful medical or therapeutic treatment.

(d) would make "unlawful administration of a substance" a level 9 person felony. We selected this penalty level as criminal threat to "adulterate or contaminate any food, beverage, drug, or public water supply" (KSA 21-3419) was also a level 9 person felony. We would have no problem if this would be made a level 7 or 8 person felony.

Section 2 states the effective date is publication in the *Kansas Register*.

I would like to thank Brad Smoot and his client for participating in the development of this amendment. We do not want to limit any controlled substance for legitimate use, but believe SB 690 with the attached amendment is needed in today's environment.

We urge your favorable consideration of the amended version of SB 690. I would stand for questions.

Sen. Federal & State Affairs Comm
Date: 3-30-98
Attachment: #1

PROPOSED AMENDMENT TO SB 690

Section 1. (a) Unlawful administration of a substance is intentionally, knowingly administering a substance to another person without consent for the purpose of impairing such other person's physical or mental ability to appraise or control such person's conduct.

(b) "Unlawful administration of a substance" means any method of causing the ingestion by another person of a controlled substance, gamma hydroxybutyric acid (or its salts), ketamine or butyrolactone into any food, beverage, or other consumable that the offender knows, or should know, would be consumed by such other person.

(c) Subsection (a) shall not prohibit administration of above substances for lawful medical or therapeutic treatment.

(d) Unlawful administration of a substance is a level 9 person felony.

Section 2. This act shall take effect and be in force from and after publication in the *Kansas Register*.

PROPOSED AMENDMENT TO SB 690

Section 1. (a) Unlawful administration of gamma hydroxybutyric acid (or its salts), or flunitrazepam, or *butyrolactone, or ketamine is intentionally, knowingly, and without consent, administering gamma hydroxybutyric acid, flunitrazepam, ketamine, or butyrolactone to another person for the purpose of impairing the other person's physical or mental ability to appraise or control such person's conduct.

(b) "Unlawful administration" means any method of causing the ingestion of the substance by the other person, including introducing a substance into any food, beverage, or other consumable that the offender knows or should know, or expects, to be consumed by the other person.

(c) Subsection (a) shall not prohibit administration of above substances for legal and recognized medical purposes.

(d) Unlawful administration is a class A misdemeanor.

Section 2. This act shall take effect and be in force from and after publication in the *Kansas Register*.

* This is available in paint stores as a paint thinner or industrial solvent. It has no medical purpose, but is detected through lab tests and is a base for GHB.

**TESTIMONY
BEFORE THE STATE LEGISLATURE
HOWARD HAILE, DETECTIVE
RILEY COUNTY POLICE DEPARTMENT
IN SUPPORT OF SB 595 690
FEBRUARY 17, 1998**

March 30, 1998

Mr. Chairman and Members of the Committee:

My name is Howard Haile, I am a Detective with the Riley County Police Dept. in Manhattan Kansas, and I appear today as a concerned police officer and citizen in support of SB 690. This bill makes the introduction of Gamma HydroxyButyrate (GHB), or Rohypnol to a person for the purpose of impairing the other persons physical or mental ability to appraise or control such persons conduct.

Gamma HydroxyButyrate is a clear liquid which can be easily carried and put into an unsuspecting persons drink. The drug is CNS depressant/anesthetic and causes unconsciousness. Persons under the influence of this drug are then subject to sexual battery, assaults, and rape. If this drug is taken with alcohol to "enhance" alcohols effects, it is not uncommon to find the person unconscious, unresponsive, and barely breathing. Emergency room, or Intensive Care hospital stays are common. Effects of this drug are dose related, and when mixed with alcohol the effects are rapid.

This drug is made in home laboratories and uses the common solvent Butyrolactone as its base.

This drug quickly metabolizes in your system in a matter of a few hours leaving no trace that a person was drugged.

Due to this it becomes a very dangerous potential "date rape" drug.

It is my opinion the sooner the police and the court system have the ability to deal with the problem, the better for all concerned.

I would be happy to stand for questions.



University Counseling Services
232 Lafene Health Center
Manhattan, KS 66506-3301
785-532-6927
Fax: 785-532-6627

Date: March 25, 1998

To: Senate Bill #690 Committee

From: Dr. Jay Reppert *Jay Reppert*
Acting Chief of Staff
Lafene Health Center
Kansas State University

Bill Arck, M.S. *BArck*
Director, Alcohol and Other Drug Education Service
Kansas State University

Re: Senate Bill #690

We would like to voice our strong support for Senate Bill #690.

The drug GHB (gamma hydroxybutyrate) is a powerful synthetic drug that acts as a depressant on the central nervous system. It is rapidly metabolized by the body. The effects of the drug can be felt within fifteen minutes. GHB often causes "anterograde amnesia" (memory loss for the events following ingestion). And when GHB is ingested with alcohol or other drugs, the consequences may be life-threatening.

Two characteristics of GHB make it especially dangerous: First, most of the GHB used today is the "homegrown" variety made by non-professionals in their own "street labs" by mixing various chemical ingredients, which include solvents and caustic soda. Home-brewed GHB often varies significantly in purity, concentration, and potency. The second reason GHB is dangerous is that there is a very narrow margin between the dose that will produce intoxication and the amount that will cause the harmful effect described above.

GHB is a problem here in Manhattan. Numerous cases of students who were unknowingly drugged with what is suspected to be GHB have been reported to the Kansas State University (KSU) Alcohol and Other Drug Education Service. At least ten or more cases of suspected GHB abuse have also been reported to the KSU Lafene Health Center, many involving students who were sexually assault or raped. It is indeed a frightening situation which has invaded our town...and the police are currently unable to arrest and convict anyone for possession of this dangerous drug.

It is not widely known but low levels of GHB turned up in the blood of Louisiana State University freshman Benjamin Wynne, who died in August, 1997 after a drinking binge with his fraternity brothers. Any drug whose nickname is "Grievous Bodily Harm" should not be allowed to become a party or rape drug in Kansas. We urge your support for Senate Bill #690.

Committee of Federal and State Affairs
March 30, 1998

Proposed amendment to HB2510-A by HCW, Section 6 (g) page 16 and HB 2510 By HCW., Section 6 (H) page 16-line 39.

Senators, ladies and gentleman, my name is Gary Smith. I am from Olathe Kansas and I am a horse owner, board member of the Kansas Horseman's Association, Kansas Thoroughbred Association and a member of the Illinois Thoroughbred Owners and Breeders Foundation. I am here today, not as a representative of these organizations but as a Kansas horse owner. I have been ask to speak on behalf of Orion Stables and other horse owners in our state.

Along with other horsemen that are not present today, we are opposed to the proposed amendment of house bill 2510. This regulation as presently written had the input of the Kansas Racing Commission, Greyhound groups as well as all horse racing groups. It was crafted to give all participants a piece of the dollar pie. To change the manner in which expenses, the track can charge to the cost of simulcasting is counter productive to all concerned and would significantly impact live racing. Kansas racing would suffer.

Along with the copy of my testimony you will find a letter that was sent to the K.R.C. from Wichita Greyhound Park. In the letter, the W.G.P. would ask for gas, lights, water, housekeeping as well as capital improvements to the building to be deducted. They ask the K.R.C. in their letter for assistance in "leveling the playing

Sen. Federal & State Affairs Comm
Date: 3-30-98
Attachment: #4

field". What does this mean and where does it stop? What is the new definition of "real" expenses?

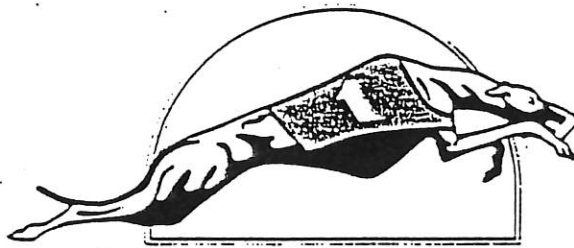
This was all worked out when this language was originally drafted. Sadly no members of the Kansas Racing Commission Board or staff remain that were involved in the developing of the simulcast regulation.

Additionally no members of the original working groups who remain in Kansas and could have been available for information or assistance were contacted.

It would seem that a special interest group is trying to profit at the expense of others without proper procedure or review.

The elected Greyhound and horseman's representatives provide a very important and obviously needed safeguard. To attempt to remove this safety valve would be a gross error.

The Thoroughbred owners and others oppose any change to regulations that are accomplished without thorough review, by working groups representing all parties involved and advanced through proper channels.



WICHITA GREYHOUND PARK

Kansas Racing and Gaming Commission
340 S.W. Van Buren
Topeka, KS 66111

Dear Commission Members and Staff,

Under provisions of Kansas law, the Kansas Racing and Gaming Commission is empowered to determine allowed expense deductions for simulcasting. Currently, costs including host fees, decoders, telephone lines, totalisator costs, racing program transmissions and video services are recognized. Wichita Greyhound Park respectfully requests that consideration be given by the Commission to allow for the deduction of other actual costs of presenting simulcasting. These additional expenses, each absolutely and indisputably vital to the presentation of simulcasting are absorbed solely by the race track.

Wichita Greyhound Park currently features a schedule which consists of approximately 83 operating hours per week. Of that schedule, 57 hours feature simulcasting only, while during the remaining 26 hours live and simulcasting racing in combination takes place. For the purposes of this discussion, we will only calculate and present costs that arise from those hours where simulcasting "only" is presented. The track has no problem absorbing all of the costs associated with those operational hours where live and simulcast racing is featured.

The list on the accompanying page features those items that the Association feels should be classified as a legitimate expense of simulcasting. Although there is significant management costs associated with simulcasting in actual hours invested both in development and actual on-site presence, labor hours of managers, salaried personnel and any other costs not directly attributable to simulcasting is not listed. This includes two employees, the Simulcast Coordinator and Simulcast Accountant devote virtually their entire schedule to making simulcasting a reality. The staggering figures of mortgage payments, interest, property taxes and other required costs are also not included. Furthermore, capital improvement projects to significantly enhance the simulcasting program, such as the installation of the 9' x 15' video screen and state-of-the-art seating corrals have contributed to dramatically improved business to the tune of a 50% increase in simulcasting handle. The cost of these items was in excess of \$153,000. However, these expenditures are not included in this request.

Wichita Greyhound Park asks for the Commission's assistance in leveling the playing field in the area of simulcast revenue distribution. The allowance of additional deductions of real expenses will make the allocation of revenues more equitable. The above paragraph demonstrates that this request is not predicated on including anything that is not an actual cost of conducting this type of business operation. Thank you very much for your consideration.

ADDITIONAL REAL COSTS OF SIMULCASTING
(Not currently recognized as expenses)

PERSONNEL

These weekly figures were derived by averaging departmental payroll for hourly employees. Staffing levels were computed for actual number of employees that are working in these departments during "Simulcast Only" operation hours.

Mutuel Tellers: 224 weekly total hours of mutuel tellers during simulcast hours only.
Average Mutuel Salary: \$6.75 per hour
Actual Weekly Payroll for Simulcasting Hours Only.....\$1512.00

Security: 170 weekly total hours of security officers during simulcast hours only.
Average Security Salary: \$7.50 per hour
Actual Weekly Payroll for Simulcasting Hours Only.....\$1275.00

Housekeeping: 110 weekly total hours of housekeepers during simulcast hours only.
Average Housekeeping Salary: \$6.75 per hour
Actual Weekly Payroll for Simulcasting Hours Only.....\$742.00

UTILITIES

It is absolutely a necessary expense for utilities during operational hours. Utilities costs were calculated by applying the total percentage of simulcast only hours (67%) and computing that percentage to the weekly utilities bills generated. However, only one floor is used during simulcasting only so the 67% was reduced by 2/3 for that allowance. 22% of the total utilities used weekly are thus generated during simulcasting only hours.

Electricity, Gas, Water: Weekly Total Cost \$5,600, Simulcast Hours Only (22%) \$1292.00

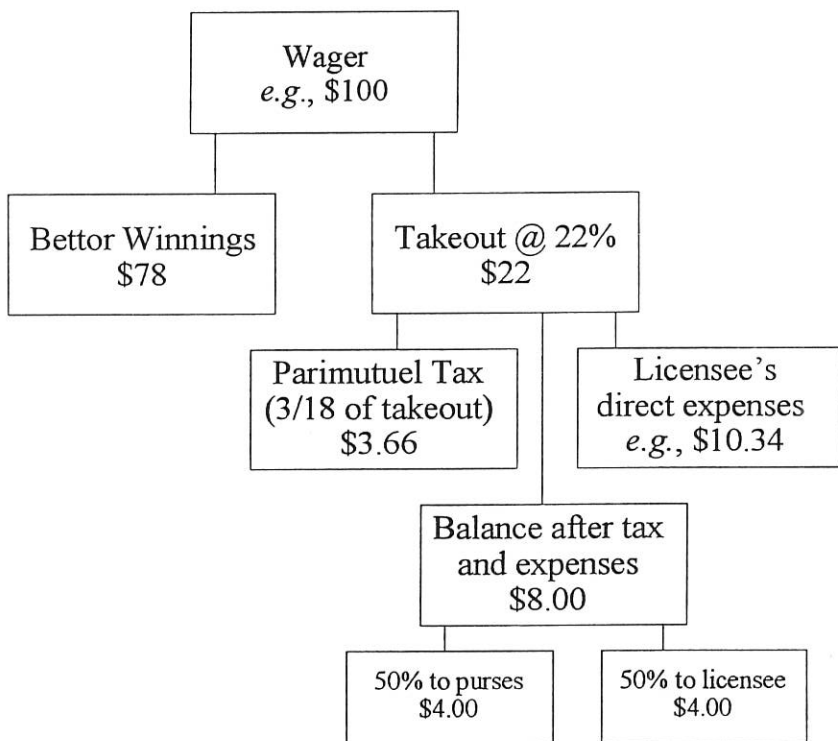
INSURANCE

Various forms of Insurance must be provided as a condition of conducting business. The same calculation that is listed above is utilized to apportion insurance costs for simulcasting.

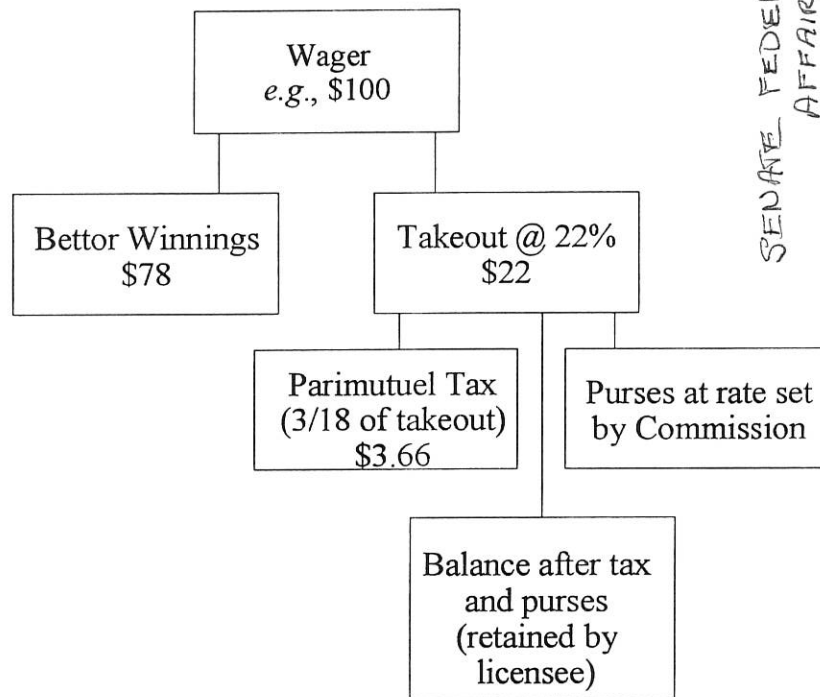
Weekly Insurance Costs: \$2,400, Portion allocated to Weekly Simulcast Hours Only.....\$553.00

DISTRIBUTION OF SIMULCAST TAKEOUT

K.S.A. 74-8836(g)



HB 2510



SENATE FEDERAL + STATE
 AFFAIRS
 3-30-95
 ATTACHMENT 5

TESTIMONY PRESENTED

TO THE

**SENATE
FEDERAL & STATE AFFAIRS
COMMITTEE**

BY

**RON GACHES
OF
PETE McGILL & ASSOCIATES**

ON BEHALF OF

WICHITA GREYHOUND PARK, INC

ON

HB 2510

MARCH 23, 1998

Madame Chairperson and Members of the Committee:

Thank you Senator Oleen for this opportunity to appear before your committee in support of HB 2510. The Wichita Greyhound Park wishes to endorse the changes to K.S.A. 1997 Supp. 74-8836 found in Section 6 on page 16 of the Bill. The amendment to current law proposed on lines 15 through 22 of page 16 addresses an accounting issue associated with simulcast races that results in a difficult administrative burden on both the track where a simulcast race is broadcast and on the Racing Commission.

Under current law, the expenses associated with a simulcast race must be calculated exactly, using the actual expenses for that race, for the purpose of determining the takeout and purses for the race. Because these expenses include telephone bills and other costs that aren't known exactly until the completion of monthly billing cycles, it is an administrative burden on both the track, to properly and timely calculate these charges, and on the Racing Commission staff, to verify these charges.

The change embodied on page 16 will authorize the Racing Commission to set a percentage based on prior actual numbers to be used for calculating the takeout and purses for simulcast races. This change will simplify a necessary procedure, reduce accounting costs for the track and ease an oversight function of the Racing Commission staff. We urge your endorsement of HB 2510.

Thank you madam chairperson. I'll respond to any questions.

The Kansas Quarter Horse Racing Association

P.O. Box 442 • Independence, KS 67301 • 316/331-2222 • FAX 316/331-2235

Date: March 30, 1998

To: Senate Federal and State Affairs Committee

From: Lee Smith

Re: Support of HB 2510 with offered amendments

Chairperson Oleen and Committee Members:

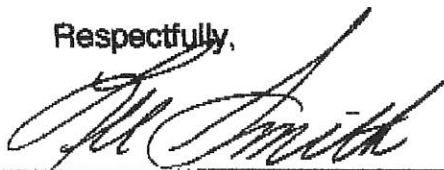
I come to you as a spokesman from the horse racing industry in Kansas, having raced Quarterhorses and Thoroughbreds in Kansas at Anthony and Eureka for thirty four years and at the Woodlands since it opened. As President of the Kansas Quarter Horse Racing Association, immediate Past-President and current board member of the Kansas Horsemen's Association, and member of the duly elected Recognized Horsemen's Group, I offer support for HB 2510. This bill is good for the entire pari-mutuel industry of Kansas. However, we feel that simple, yet critical, amendments which we offer today, can make it even better.

The first amendment has to do with section 6 (g). This ammendment will allow the racing commission to comply with current law as it relates to accounting proceedures, yet retains enough of the current language to provide the safeguards necessary for both the tracks and the breed groups as provided by current statute.

The second amendment we offer is to insert paragraph (h) of section 6 as shown. This language was drafted by the legal staff of the Kansas Racing Commission and is being offered today with their approval. This amendment will provide for a fair and equitable distribution of money which has been generated for horse purses from simulcasting of horse races at a greyhound park which does not offer live horse racing. This offered amendment simply mandates a distribution of the money that is generated for horse purses on the basis of live horse racing dates. Please keep in mind that the original intent of simulcasting was to protect and nourish the live racing industry and hence the economic effect of all agriculture related to racing. By amending HB 2510 as we propose, we will provide benefit to more horsemen of the state which in turn will add to the agriculturally based economy of Kansas.

Your support for HB 2510 with these amendments will be appreciated.

Respectfully,



Sen. Federal & State Affairs Comm.
Date: 3-30-98
Attachment: #7

Lee Smith
PRESIDENT, KQHRA
25126 Tonganoxie Road
Leavenworth, KS 66048

Laurie Rutland
EXECUTIVE SECRETARY, KQHRA
P.O. Box 442
Independence, KS 67301

1 sion and before the simulcasting of a race, a written copy of each contract
2 or agreement which the applicant proposes to enter into with regard to
3 such race, and any proposed modification of any such contract or agree-
nt.

5 (e) The term of a simulcasting license shall be one year.

6 (f) A simulcasting licensee may apply to the commission or its des-
7 ignee for changes in the licensee's approved simulcasting schedule if such
8 changes are approved by the respective recognized greyhound owners'
9 group or recognized horsemen's group needed throughout the term of
10 the license. Application shall be made upon forms furnished by the com-
11 mission and shall contain such information as the commission prescribes.

12 (g) Except as provided by subsection (j), the takeout for simulcast
13 horse and greyhound races shall be the same as it is for the live horse
14 and greyhound races conducted during the current or next live race meet-
15 ing at the racetrack facility where the simulcast races are displayed. For
16 simulcast races the tax imposed on amounts wagered shall be as provided
17 by K.S.A. 74-8823 and amendments thereto.

18 ~~The simulcasting licensee shall be entitled to retain sufficient revenue to pay expenses directly re-
19 lated to the simulcast race or performance. The commission, by rules and
20 regulations, shall define what constitutes such expenses. Of the balance
21 of the takeout remaining after deduction of taxes and expenses, 50% shall
22 be paid to the simulcasting licensee. The remainder, an amount equal to
23 a percentage, to be determined by the commission, of the gross sum wa-
24 gered on simulcast races shall be used for purses, as follows:~~

25 (1) For purses for greyhound races conducted by the licensee, if the
26 simulcast race is a greyhound race and the licensee conducts only live
27 greyhound races;

28 (2) for purses for horse races conducted by the licensee, if the si-
29 mulcast race is a horse race and the licensee conducts only live horse
30 races;

31 (3) for purses, as determined by both the recognized horsemen's
32 group and the recognized greyhound owners' group, if the simulcast race
33 is a greyhound race and the licensee does not conduct or is not currently
34 conducting live greyhound races; or

35 (4) for purses, as determined by both the recognized horsemen's
36 group and the recognized greyhound owners' group, if the simulcast is a
37 horse race and the licensee does not conduct or is not currently con-
38 ducting live horse races.

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

40 (1) If a simulcasting licensee has a license to conduct live horse races
41 and the licensee displays a simulcast horse race: (A) All breakage proceeds
42 shall be remitted by the licensee to the commission not later than the
43 5th day of the month following the race from which the breakage is

7-2

SUBSTITUTE FOLLOWING :

THE SIMULCASTING LICENSEE SHALL BE ENTITLED TO RETAIN SUFFICIENT REVENUE TO PAY EXPENSES DIRECTLY RELATED TO SIMULCASTING. THE COMMISSION, BY RULES AND REGULATIONS, SHALL DEFINE WHAT CONSTITUTES SUCH EXPENSES. OF THE BALANCE OF THE TAKEOUT REMAINING AFTER DEDUCTION OF TAXES AND EXPENSES, 50% SHALL BE PAID TO THE SIMULCASTING LICENSEE. THE REMAINDER SHALL BE USED FOR PURSES, AS FOLLOWS :

Proposed Amendment to HB 2510 - Am. by HCW, Section 6(h) - page 16, line 39:

INSERT: (h) That portion of simulcast purse money generated at a racetrack facility where the licensee does not conduct live horse races determined to be used for horse purses pursuant to subsection (g)(4) above shall be apportioned by the commission to the various horse race meets held in any given year based upon the number of live horse race dates each such horse race meet held in the preceding calendar year.

Thereafter reletter subsections (h), et seq. as (j), et seq.

4-2