

MINUTES OF THE HOUSE FEDERAL AND STATE AFFAIRS COMMITTEE

The meeting was called to order by Chairman William Mason at 1:30 p.m. on March 23, 2004 in Room 313-S of the Capitol.

All members were present.

Committee staff present:

Russell Mills, Legislative Research Department
Mary Torrence, Revisor of Statutes Office
Dennis Hodgins, Legislative Research Department
Rose Marie Glatt, Secretary

Conferees appearing before the committee:

Representative Edmonds
James Martinez, Private Citizen
Tracy Diel, KS Racing and Gaming Commission
David Owen, Private Citizen, Topeka
Robin Jennison, Ruffin Companies

Others attending:

See Attached List.

Without objection a House Resolution regarding persecution of Falun Dafa, and other groups in the People's Republic of China was introduced at the request of Representative Rehorn.

HB 2942 - A law requiring registration of offenders convicted of certain felonies; prescribing penalties for certain violations

Ms. Torrence explained that the bill would require registration of people who have been convicted of felonies in which a firearm was used. The registration would be in effect for 10 years.

Representative Edmonds rose in support of **HB 2942** stating that it was proposed in remembrance and honor of Mikiala, one of the victims of a double murder in City of Great Bend. The bill would make dangerous felons more readily identifiable to a community (Attachment 1).

Discussion followed regarding the process of the registration of offenders.

James Martinez, the father of Mikiala, spoke to the Committee regarding what he considered administrative holes in the legal system (Attachment 2). Felons being released on parole with a background of violence with a gun or any weapon should be required to register, not only to the law enforcement agencies but most of all the public. If this law had been in effect, this tragedy may have been prevented and he believes it will save lives.

The Chairman expressed appreciation for the initiative that Mr. Martinez had taken, especially under very difficult circumstances.

The hearing was closed on **HB 2942**.

SB 32 - Distribution on breakage at greyhound tracks which have closed or no longer conduct races

Mr. Mills, Legislative Research Department, stated the bill would allow the licensee of a race track facility that closed, to distribute breakage proceeds from live greyhound races to the charitable organizations who had filed applications with the organizational licensee.

CONTINUATION SHEET

MINUTES OF THE HOUSE FEDERAL AND STATE AFFAIRS COMMITTEE at 1:30 p.m. on March 23, 2004 in Room 313-S of the Capitol.

Tracy T. Diel, testified that the amendment in **SB 32** was necessary due to the closure of Camptown Greyhound Park, in Frontenac, KS, November 2000. Under the "Parimutuel Wagering Act, a charitable organization licensee that conducts parimutuel racing is responsible for dispersing breakage funds. He explained "breakage" and how those funds were distributed. After the Camptown Greyhound Park closed, the Commission did not have the authority to permit the remaining funds (\$8,000 - \$10,000) to be distributed. **SB 32** would allow the organizational licensee to distribute those funds to charitable organizations in southeast Kansas (Attachment 3).

Discussion followed regarding the charities that receive funds and the registration process to request grants.

David Owen, Private Citizen, requested that the Committee not take things on faith when someone says they are going to give money to charity. Through his personal experience he has found that it will go into someone else's pocket eventually (No written testimony).

The hearing was closed on **SB 32**.

SB 407 - Parimutuel wagering; takeout

Ms. Torrence, Revisor of Statutes Office, stated that the bill would allow the KS Racing and Gaming Commission to authorize up to 25.0 percent to be deducted from the total amount wagered in parimutuel pools for multiple and exotic bets. Currently the Commission is authorized to deduct up to 22.0 percent.

Robin Jennison, Ruffin Companies, testified that Kansas' tracks had faced financial challenges for a number of years, largely due to changes in the gaming environment across the country. **SB 407** would give the KS Racing and Gaming Commission flexibility to go up to 25%, on exotic bets, providing an important component in preserving that industry (Attachment 4). Included in his testimony were two documents that contained information on other tracks' take-out rates and the distribution of funds.

Mr. Jennison and Mr. Diel responded to questions regarding issues of competitiveness, profitability and breakdown of take-out. Testimony was distributed regarding data on parimutuel wagering (Attachment 5).

Mr. Mills, responded to questions about the Veteran's Cash Lottery game. The game is available for purchase from May through November 2003 and 2004 only. He provided information on the 2003 breakdown and profit from the game (Attachment 6).

The hearing was closed on **SB 407**.

Representative Williams reviewed the history of **HB 2552** and its failure on the House floor. He explained the importance of the act and the reasoning behind the following motion.

Representative Williams made the motion that they strike the provision of SB 280 and amend in the original HB 2552, known as the unborn victims of violence act. Representative Freeborn seconded the motion and the motion carried.

Discussion followed regarding the differences in language between the *Neighbor amendment* and the original language in the bill; testimony of various conferees; intent of original **SB 280**; and definitions within the bill.

Representative Williams closed and moved his motion. The motion passed 13-7.

The meeting adjourned at 3:10. The next meeting was not scheduled.

STATE OF KANSAS
HOUSE OF REPRESENTATIVES

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JOHN T. EDMONDS
112TH DISTRICT
CHAIRMAN, TAXATION COMMITTEE

March 23, 2004

Chairman Mason and members of the committee, thank you for the opportunity to appear before you today in support of House Bill 2942.

Some weeks ago a double murder occurred in the City of Great Bend. One of the victims was a young woman named Miki Martinez. The bill before you would enact "Miki's Law" in her honor.

HB 2942 would create a register of felons whose offences involved the use of firearms. This register would be maintained by the KBI and be accessible to both law enforcement and the general public. Dangerous felons would be more readily identifiable to the community than is presently the case.

I respectfully urge your support for HB 2942 and will stand for questions.

HS Federal & State Affairs
February 23, 2004
Attachment 1

Dear Chairman Mason;

I would like to thank you and the House of Representatives for allowing me the opportunity to express my feelings and thoughts about the events that led to the murder of my daughter Mikiala and her boyfriend Darren.

Through some very intense investigating of this case, I've come across some administrative holes in our legal system. Finding out that the law enforcement agencies in the community in which one of the alleged murders of my daughter was residing did not know that the KDOC had released him into their community. I know that the KDOC has a web-site for felons being released, and the site is open to the general public. My investigation has found out that the law enforcement agencies did not know about his release into their community. This is very hard for me to understand why they did not know of the release of a convicted felon into their community.

The bill I would like to become law is that any felon being released on parole with a background of violence with a gun or any weapon or even with their hands should be required to register, not only to the law enforcement agencies but most of all to the public. Just as it is with the child molesters or sex offenders we the citizens have a right to know who our neighbors are.

I feel that if the person has nothing to hide, it wouldn't be a problem for them. Those that don't want to register are probably the ones wanting to hide something.

I am on parole, I know that parolees want to be given a fair chance to prove ourselves worthy of being released and not to be hassled because of our background. I don't believe that by registering that these felons that are to be required to be registered would be hassled. I think that protecting the public should be of a more concern than worrying about someone thinking their being harassed.

By passing this law, it would protect other parents from going through what my family has gone through this past month. It would also help my family and friends realize that my daughter and her boyfriend did die for nothing. Their brutal murders will change a law so that this may not happen to someone else.

I know this law would not be able to protect the public one hundred percent, but if it saves even twenty five percent that would give those twenty five percent a chance to live their lives to their fullest. My daughter and her boyfriend were not given that chance.

I do believe that if this law had been in effect that this tragedy may have been prevented and I'm very confident that it will save lives. Everyone that I've asked about this law said that it should have been done a long time ago.

Again, I want to thank you for taking the time out of your busy schedule to me a chance to express my view on the passage of this bill. I believe this is what God's plan

was when he let me out of prison. I owe this much to my daughter, her boyfriend and their children.

James R Martinez



KANSAS

KANSAS RACING AND GAMING COMMISSION

KATHLEEN SEBELIUS, GOVERNOR

TO: House Committee on Federal and State Affairs

FROM: Tracy T. Diel, Executive Director, Kansas Racing and Gaming Commission

SUBJECT: Senate Bill 32 - Breakage

DATE: March 23, 2004

Chairman Mason, members of the Committee. Thank you for the opportunity to appear before you to testify on Senate Bill 32.

This proposed legislation will amend K.S.A. 74-8821. This amendment is necessary due to the closure of Camptown Greyhound Park in Frontenac, Kansas, in November 2000.

Under the parimutuel wagering act, a charitable organization licensee that conducts parimutuel racing is responsible for dispersing breakage funds in accordance with K.S.A. 74-8821. Breakage is defined in K.S.A. 74-8802(a) as “. . .the odd cents by which the amount payable on each dollar wagered exceeds: (1) A multiple of \$.10, for parimutuel pools from races conducted in this state. . .” K.S.A. 74-8821 allows 50 percent of the breakage to be used as a supplement to open stakes races conducted at the racetrack facility from which it is derived and the remaining 50 percent of the breakage to be dispersed to owners of Kansas-whelped greyhounds in accordance with the rules and regulations of the Kansas Racing and Gaming Commission.

When Camptown Greyhound Park closed in November 2000, the organization licensee, The Racing Association of Kansas Southeast, had breakage funds which could not be dispersed according to the provisions of K.S.A. 74-8821. The Commission has taken steps to change its rules and regulations to permit some of these funds to be distributed by the charitable organization. However, the Commission does not have the authority to permit the remaining funds to be dispersed.

Senate Bill 32 would give the Commission the authority to permit these funds to be dispersed. The language in the amendment reads as follows:

(e) If a racetrack facility closes or discontinues conducting races and there are undistributed breakage proceeds from parimutuel wagering conducted by the organization licensee on live greyhound races, the licensee shall distribute such

proceeds to charitable organizations who apply to the organizational licensee. Such proceeds shall be distributed in accordance with the licensee's charitable distribution guidelines. Within 30 days of such distribution, the licensee shall file a report with the commission disclosing the amounts of the distributions, the names of the distributees and the date on which the distributions were made.

This change in language was suggested by Senator Jim Barone. Senator Barone is the president of The Racing Association of Kansas Southeast, the charitable organization in charge of racing at the Camptown racetrack facility.

The Commission would request the Committee recommend passage of this proposed amendment.

**Robin Jennison
Governmental Services
800 SW Jackson
Suite 1100
Topeka, Kansas 66612**

March 23, 2004

House Federal and State Affairs Committee:

SB407

Mr. Chairman and members of the committee:

I am Robin Jennison, representing Ruffin Companies, which own Wichita Greyhound Park and the closed pari-mutuel facility at Frontenac. Thank you for hearing SB407 and the opportunity to testify in favor of its passage. As you know the pari-mutuel industry in Kansas has faced financial challenges for a number of years, largely due to changes in the gaming environment across the country as well as in our own state and directly across our border.

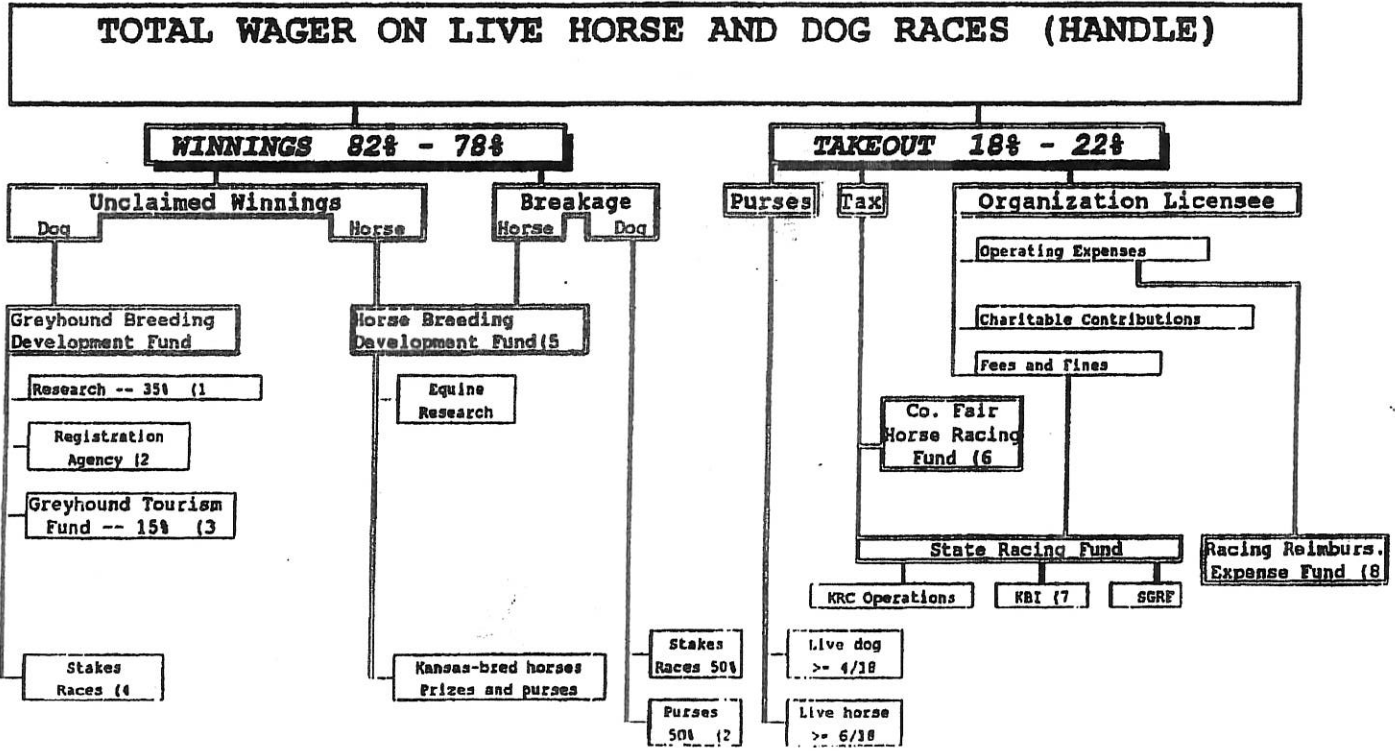
SB407 is an attempt to give the Racing and Gaming Commission the authority to address some of those issues. If a more significant gaming bill should pass this issue would not be as critical. We do believe giving the commission this flexibility would still be appropriate.

I am including a list of the tracks that Wichita simulcasts, to give you some idea of what other tracks are doing. We think it is reasonable to give the Racing Commission the authority to set the takeout up to 25% on multiple and exotic bets.

As you have heard in testimony on other bills the pari-mutuel industry is a significant industry in Kansas. SB407 could be an important component in preserving that industry.

Robin - Here's a sample of the tracks we're currently taking. Let me know if you need ALL tracks or if this will do. -Shelli

Track	State	Dog or Horse	WPS	Daily Double	Exacta Perfecta	Quinella	Trifecta	Superfecta	TwinTri	TriSuper	Pick3	Pick4	Pick6	Other
Oaklawn	AK	Horse	17	21	21		21				21		21	
Golden Gate (during CA fairs)	CA	Horse	16.77	21.52	21.52	21.52	21.52	21.52			21.52	21.52	21.52	
Golden Gate (reg.)	CA	Horse	15.4	20.18	20.18	20.18	20.18	20.18			20.18	20.18	20.18	
Santa Anita	CA	Horse	15.4	20.18	20.18	20.18	20.18	20.18			20.18	20.18	20.18	
Cloverleaf	CO	Dog	19.5	22.5	22.5	22.5	24.5	24.5		24.5	24.5			24.5
Derby Lane & Tampa	FL	Dog	19	22	22	22	25	25	25	25	25			25
Gulfstream	FL	Horse	15	20	20		25	25			20	20	20	
Tampa Bay Downs	FL	Horse	18.9	22.5	22.5	22.5	25.9	25.9	25.9		25.9	25.9		
Bluffs Run	IA	Dog	18	24	24	24	25	25	25			25		
Turfway	KY	Horse	17.5	22	22		22	22			22	22	22	
Fair Grounds	LA	Horse	17	20.5	20.5	20.5	25	25			25	25	25	
Laurel/Pimlico	MD	Horse	18	21	21		25.75	25.75			25.75	14		
Northville Downs	MI	Horse	17	28	28	28	28	28			28			
Freehold	NJ	Horse	17	19	19		25	25				25		25
Meadowlands	NJ	Horse	17	19	19		25	15			25	15		
Sunland Park	NM	Horse	19	21	21		25	25			25	25		
NYRA (Bel/Sar/Aqu)	NY	Horse	14	17.5	17.5	17.5	25	25					20/25	
Beulah	OH	Horse	18	22.5	22.5		22.5	22.5			22.5	22.5		
Penn National	PA	Horse	17	20	20		31	30			26	28		
Philadelphia Park	PA	Horse	17	20	20		30	30			26			
The Meadows	PA	Horse	17	20	20		29	20			20			
Lincoln	RI	Dog	22	23		23	23	23	11		23			
Gulf Greyhound	TX	Dog	18	21	21	21	25	25	25	25	25			
Sam Houston	TX	Horse	18	21	21	21	25	25			12	25		
Dairyland	WI	Dog	20		25	25	25	25	25	25				25
Mountaineer	WV	Horse	17.25	19	19		25	25			25			



(aa) "Parimutuel wagering" means a form of wagering on the outcome of horse and greyhound races in which those who wager purchase tickets of various denominations on one or more horses or greyhounds and all wagers for each race are pooled and the winning ticket holders are paid prizes from such pool in amounts proportional to the total receipts in the pool.

(bb) "Race meeting" means one or more periods of racing days during a calendar year designated by the commission for which an organization licensee has been approved by the commission to hold live or simulcast horse or greyhound races at which parimutuel wagering is conducted, including such additional time as designated by the commission for the conduct of official business before and after the races.

(cc) "Racetrack facility" means a racetrack within Kansas used for the racing of horses or greyhounds, or both, including the track surface, grandstands, clubhouse, all animal housing and handling areas, other areas in which a person may enter only upon payment of an admission fee or upon presentation of authorized credentials and such additional areas as designated by the commission.

(dd) "Racing jurisdiction" or "jurisdiction" means a governmental authority which is responsible for the regulation of live or simulcast racing in its jurisdiction.

(ee) "Racing or wagering equipment or services licensee" means any person, partnership, corporation or association licensed by the commission to provide integral racing or wagering equipment or services, as designated by the commission, to an organization licensee.

(ff) "Recognized greyhound owners' group" means the duly recognized group elected in accordance with rules and regulations of the commission by a majority of

the Kansas licensed greyhound owners at the racetrack facility voting in the election. The commission may designate an organization such as the national greyhound association of Abilene, Kansas, to conduct the election.

(gg) "Recognized horsemen's group" means the duly recognized group, representing the breeds of horses running at a racetrack facility, elected in accordance with rules and regulations of the commission by a majority of the licensed owners and trainers at the racetrack facility voting in the election. If the licensee does not have a recognized horsemen's group, the commission shall designate as the recognized horsemen's group one that serves another organization licensee, but not one that serves a fair association organization licensee.

(hh) "Simulcast" means a live audio-visual broadcast of an actual horse or greyhound race at the time it is run.

(ii) "Takeout" means 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 balance of each pool less the breakage is distributed to the holders of winning parimutuel tickets.



History: L. 1987, ch. 112, § 2; L. 1989, ch. 246, § 1; L. 1992, ch. 27, § 1; L. 1992, ch. 286, § 1; L. 1994, ch. 228, § 1; L. 1994, ch. 332, § 1; L. 1996, ch. 145, § 1; L. 1998, ch. 178, § 1; May 21.

Attorney General's Opinions:

Parimutuel racing; county fair association personnel; wagering on or participating in horse race meetings. 88-131.

County planning and zoning; agricultural purposes; greyhound operations. 90-68.

Horse breeding development fund; apportionment of breakage on simulcast races. 93-12.

FAX TRANSMISSION



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Date: 3-22-04
To: Dennis Hodgins/ Russell Mills
Firm: LRD
Fax #: 6-3824
From: Tracy Diel

Number of pages including this page: 4

- For your comments
- As you requested
- Please call me about this
- As we discussed
- Information only
- Review and forward

Other message: Definition of takeout in the Kansas Statutes
List of racetracks showing 2002 takeout rates for exotic bets.
This legislation is permissive and does not apply to Win, Place and Show bets. (1st and 2nd)

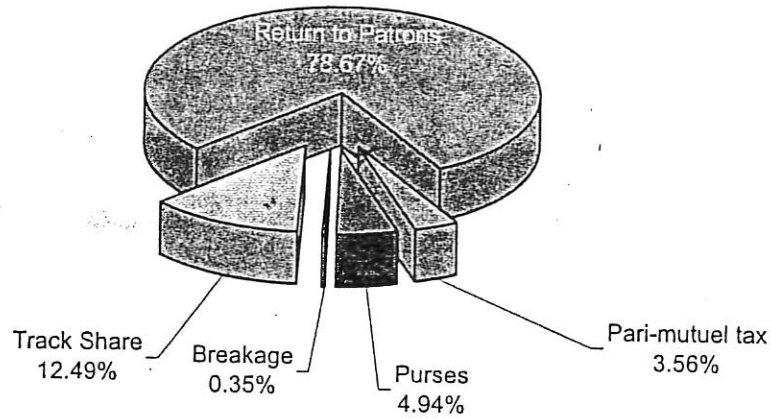
If you do not receive all pages, please call me at (785) 296-5800.



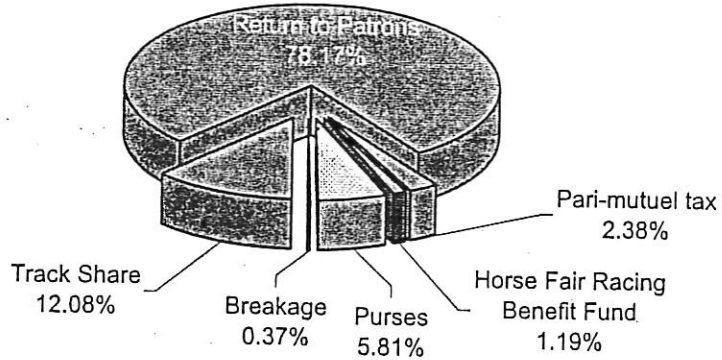
The Wagering Dollar



Live Racing - 2003



Simulcast Racing - 2003



Kansas Lottery

The Kansas Lottery launched two instant games, \$2 Sunflower Salute and \$1 Veterans' Cash, in 2003, which were produced to honor Kansas and U.S. military personnel. All net profits received from sale of these games were deposited in the state treasury and credited to two special funds: 50 percent to the national guard assistance account of the state general fund of the state board of regents to be used for Kansas National Guard Education Assistance Act scholarships; 50 percent of net profits to the Soldiers' Home Fee Fund to be used for the Kansas soldiers' home and the state veterans cemetery system. This was made possible after passage of Senate Substitute for H.B. 2400 by the 2003 Kansas Legislature. The games were available for purchase from May through November.

Profit from Game #304 – Sunflower Salute was \$329,816.70

Profit from Game #317 – Veteran's Cash was \$307,166.74

TOTAL Game Profits: \$636,983.44