

SESSION OF 2004

**CONFERENCE COMMITTEE REPORT BRIEF  
HOUSE BILL NO. 2899**

As Agreed to April 27, 2004

**Brief \***

The bill contains three provisions that would:

- ! authorize the Kansas Racing and Gaming Commission to distribute "breakage" at a closed race track to charities.
- ! allow the Kansas Racing and Gaming Commission to increase the maximum from 22.0 to 25.0 percent that may be deducted from the total amount wagered in parimutuel pools for multiple and exotic bets.
- ! continue the special veterans benefits games conducted by the Kansas Lottery beyond 2004, and clarify the distribution of net profits from those games and the intended purposes for which funds may be used, subject to appropriations, and continue to provide that the games would run only for six months in a calendar year.

**Conference Committee Action**

In the Conference Committee, all previous amendments in the bill were deleted and the original subject matter of HB 2899 as introduced also was excluded. The Conference Committee agreed to add SB 32 as passed by the Senate, SB 407 as passed by the Senate, and clarifying language about the authorization for special games and disposition of certain lottery game receipts addressed in SB 407.

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\*Conference committee report briefs are prepared by the Legislative Research Department and do not express legislative intent. No summary is prepared when the report is an agreement to disagree. The conference committee summary report may be accessed on the Internet at <http://www.kslegislature.org>



## **Background**

**SB 32** passed the Senate during the 2003 Legislature and that version of the bill would authorize the Kansas Racing and Gaming Commission to distribute “breakage” at a closed race track to charities. Under current law, “breakage” must be distributed in a manner that 50 percent shall supplement open stakes races at racetrack facilities where derived and 50 percent shall be paid as purses to breeders of Kansas-whelped greyhounds. “Breakage” is a sum of money comprised of the odd cents by which the amount payable on each dollar wagered exceeds a multiple of \$0.10 for parimutuel race pools. SB 32 as introduced would have distributed “breakage” at closed tracks to the greyhound owners who last raced at the facility. The Senate Committee on Federal and State Affairs changed the beneficiaries from greyhound owners to charities in the version that passed the Senate and was adopted by the Conference Committee. The amount of money to be distributed is approximately \$8,000.

**SB 407** passed the Senate during the 2004 Legislature and that version would allow the Kansas Racing and Gaming Commission to increase the maximum from 22.0 to 25.0 percent that may be deducted from the total amount wagered in parimutuel pools for multiple and exotic bets and also continue the special veterans benefits games conducted by the Kansas Lottery beyond 2004. The lottery provision had been added by the Senate Committee of the Whole to continue the special veterans games and to allow games all year rather than for six months in a calendar year. The Conference Committee added language to clarify the distribution of net profits from those games and the intended purposes for which funds may be used, subject to appropriations, and that the games would run only six months during a calendar year.

The 2003 legislation, HB 2400 as enacted, permits instant ticket games, designated as a veterans benefit game, to be conducted by the Kansas Lottery. Net profits from these games are dedicated for National Guard scholarship assistance and the Kansas Commission on Veterans Affairs. Specifically, the law directs 50 percent to the State Board of Regents to be used for Kansas National Guard Educational Assistance Act scholarships and the other 50 percent to either the Soldiers Home or Veterans Home as determined by the Executive Director of the Kansas Commission on Veterans Affairs, to be used for either operating expenditures or capital improvements for the two homes and for the state Veterans Cemetery System.

The Conference Committee's clarifying language addressed the distribution and intended uses of the net profits from the veterans benefit games. The revised language would direct (1) 50 percent of the net profits from special games to be used (a) for Kansas National Guard Educational Assistance Act scholarships pursuant to K.S.A. 74-32,145 *et seq.*, and (b) to the extent that moneys are available, for other purposes of direct benefit to members of the National Guard and their families, subject to appropriation by the Legislature, and (3) 50 percent (a) for operating expenditures and capital improvements for the Kansas Veterans' Home, the Kansas Soldiers' Home and the state Veterans Cemetery System, and (b) for other purposes as provided in appropriations acts.