

KANSAS OFFICE *of*  
**REVISOR *of* STATUTES**

LEGISLATURE *of* THE STATE *of* KANSAS  
*Legislative Attorneys transforming ideas into legislation.*

300 SW TENTH AVENUE ■ SUITE 24-E ■ TOPEKA, KS 66612 ■ (785) 296-2321

**MEMORANDUM**

To: Members of the House Committee on Taxation

From: Adam Siebers, Assistant Revisor

Date: March 8, 2023

Subject: House Bill No. 2434

**Summary**

House Bill No. 2434 amends how tax revenues are credited from wagers on historical horse races. Of the 3% tax that is levied on such wagers, the revenue is to be credited 1/3 to the Kansas horse breeding development fund and 2/3 to the horse fair racing benefit fund.

Pursuant to the Kansas horse breeding development fund (K.S.A. 74-8829):

(b) Moneys credited to the Kansas horse breeding development fund, including any moneys in the fund on March 24, 1994, and any moneys credited to the fund on or after that date, shall be apportioned into categories corresponding with the various breeds of horses which are participating in live races with parimutuel wagering conducted by organization licensees in direct proportion to the number of horses in each category participating in such live races and shall be used in each category to provide:

- (1) Purse supplements to owners of Kansas-bred horses;
- (2) stakes and awards to be paid to the owners of the winning Kansas-bred horses in certain races as determined by the commission;
- (3) a stallion award to each owner of a Kansas-registered stallion which is the sire of a Kansas-bred horse if such horse wins or wins, places or shows in any race conducted at a Kansas race meeting, but no such award shall be paid to the owner of a Kansas stallion that served outside Kansas at any time during the calendar year in which the winning Kansas-bred horse was conceived;
- (4) a breeder's award to each owner of a Kansas-registered mare which is the dam of a Kansas-bred horse if such horse wins or wins, places or shows in any race conducted at a Kansas race meeting; and
- (5) moneys for equine research through institutions of higher education under the state board of regents.

Pursuant to the horse fair racing benefit fund (K.S.A. 74-8838):

(b) Twenty-five percent of all moneys credited to the horse fair racing benefit fund may be expended, upon application to the commission, for capital improvements to racetrack facilities on or adjacent to premises used by a fair association to conduct fair racing activities.

(c) The remaining moneys in the horse fair racing benefit fund shall be expended only for:

(1) Reimbursement of the commission for the commission's administrative costs, as established by rules and regulations of the commission, related to race meetings conducted by a fair association or a horsemen's nonprofit organization, including the cost of stewards, racing judges and assistant animal health officers performing services at such race meetings;

(2) paying the costs of totalisator expenses incurred by an organization licensee that is a fair association or horsemen's nonprofit organization;

(3) paying the costs of background investigations required under the Kansas parimutuel racing act for members of a fair association or horsemen's nonprofit organization;

(4) purse supplements at race meetings conducted by a fair association or horsemen's nonprofit organization;

(5) basic operating assistance grants to an organization licensee that is a fair association or horsemen's nonprofit organization; and

(6) costs for employment of key racing officials, as determined by the commission, incurred by an organization licensee that is a fair association or horsemen's nonprofit organization.