

Approved: Feb. 22, 1993  
Date

## MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS

The meeting was called to order by Chairman Lana Oleen at 11:05 a.m. on January 28, 1993 in Room 254-E of the Capitol.

All members were present

Committee staff present: Mary Galligan, Legislative Research Department  
Mary Ann Torrence, Revisor of Statutes  
Jeanne Eudaley, Committee Secretary

Conferees appearing before the committee:

Nancy Lindberg, Assistant to Attorney General  
Whitney Damron, Distilled Spirits Council of the U.S.  
Brent Bengtson, Dir., Governor's Office of Drug Abuse Programs  
Dana Nelson, Executive Director, Racing Commission  
See attached list for Hearing on **Senate Bill 78**

Others attending: See attached list

Sen. Oleen introduced two pages who are assisting the committee today from Junction City. She announced the committee will be hearing testimony on SB 78 today, but asked for bill introductions first. Sen. Jones requested the committee introduce a resolution amending the constitution to allow a casino adjacent to the parimutuel facility in Kansas City, to be voted upon by the citizens of the state. He made his request into a motion, and it was seconded by Sen. Hensley. The motion passed. (Attach. 1)

Sen. Oleen recognized Nancy Lindberg, who presented a proposal (Attachment 2) which makes four basic changes to the Charitable Organizations and Solicitations Act. Sen. Vidricksen made a motion to introduce the proposal as a bill, and it was seconded by Sen. Jones. The motion passed. The Chairman recognize Whitney Damron, who requested introduction of a bill (Attachment 3), to repeal the requirement of stamps on liquor bottles. Sen. Vidricksen made a motion the committee introduce it as a bill, and it was seconded by Sen. Praeger. The motion passed. Brent Bengtson presented a bill draft (Attachment 4) relating to the testing for HIV infection of individuals convicted of offenses involving sexual acts. He explained this bill is needed to insure compliance with the Crime Control Act of 1990; otherwise, the state will lose in excess of \$450,000 for the upcoming fiscal year. Sen. Jones made a motion the committee introduce the proposal as a bill, and it was seconded by Sen. Parkinson. The motion passed.

The Chairman announced the committee will hear testimony on SB 78, and the following appeared before the committee as proponents:

Roy Berger (Attachment 5)  
Richard LaMunyon (Attachment 6)  
Bruce Rimbo (Attachment 7)  
Dana Nelson (Attachment 8)

To give equal time to opponents, Sen. Oleen called on Tim Shultz, for his testimony (Attachment 9). Mr. Shultz was the only opponents to appear before the committee.

Sen. Oleen called on Dana Nelson, who gave testimony supporting SB 78 (Attachment 8). Jim Yonally also appeared in support and stated the first year, Trak-East donated \$1.3 million to charities; the past year they were able to donate only \$350,000; and his association hopes it will be able to donate more in the coming years.

## CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS, Room 254-E  
Statehouse, at 11:05 a.m. on January 28, 1993.

Members asking questions included Sen. Parkinson who pointed out the parimutuel industry knew the tax rate from the beginning, and he asked Mr. Berger what had changed. Mr. Berger replied the marketplace is much different now; they thought the cash flow would be there, but due to several things, economy, inclement weather, low attendance, the cash flow has gone down. He stated they can hold their own if the present rate is extended. Sen. Ramirez asked Mr. Rimbo why The Woodlands had not paid property taxes this year, and Mr. Rimbo responded the taxes have not been paid because of loss of income, and they don't have the money. He stated they have offered to pay a portion of the taxes, but have been told they have to pay all or nothing. He stated The Woodlands paid \$80,000 in penalties for late payment last year, and they hope to pay the taxes in 2 weeks. Sen. Jones discussed with Dana Nelson the number of states showing declines and what he attributed it to, and Sen. Gooch asked Roy Berger if a freeze of the tax were imposed, with a review of the matter scheduled next year, if Wichita Greyhound would accept it. Mr. Berger answered that would be acceptable, but that they would be back next year with another request.

Sen. Oleen stated several members of the committee have requested action not be taken on confirmations, and that the committee would not vote on them today, but at a later date. She also announced appointment of the subcommittee to study the Human Rights Commission. They are: Sens. Papay, Chairman, Gooch and Ramirez, with Sens. Oleen and Jones serving as ex officio members. They will meet next Monday.

Meeting adjourned at 11:55.

GUEST LIST

COMMITTEE: Senate Federal & State Affairs

DATE: JAN. 28, 1993

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
Derieth L. Sutton	Topeka, KS	Kansas Lottery
Jim GORDON	TOPEKA KS	KANSAS LOTTERY
Pat Hubbell	topeka, KS.	WGF
Carol McDonald	Topeka	Mirage, Inc.
Mary Jane Johnson	KCKs	K.C.Ks
Scott Bollen	AP KS	Sunflower Krim
Bruce Rimbo	KC KS	Sunflower Krim
Mark Wilson	Newport Beh, CA	Hubbard Enterprises
Roy BERGER	Wichita, KS.	Wichita Creche and Prch Hse
Richard LaMangan	Wichita	Wichita Creche and Prch Hse
Jim & Doris Yount	Topeka	K.Q.R.A.
Nancy Lindberg	Topeka	Atty Gen. Office
Whitney Downen	Topeka	Pete McMillan Assoc.
Maria Boyd	Topeka	Inter Stream Jones
Kevin Tipton	Denver, CO	Discus
Jim Yonally	Overland Park	ATRAK-East
Boethy Peterson	Topeka	Mirage, Inc.
Brent Brington	Topeka	Gov's Office of Drug Abuse Programs
Jim Shults	Topeka	Ks. for Life Athls
Boethy Peterson	11	K.C. Star
Boethy Peterson	Topeka	Sunflower

SENATE FEDERAL AND STATE AFFAIRS COMMITTEE

HEARING - SENATE BILL 78

January 28, 1993

Proponents:

Roy Berger, Executive Vice Pres., Wichita Greyhound Park

Richard LaMunyon, Wichita Greyhound Charities, Inc.

Bruce Rimbo, Executive Vice-President, Woodlands

Jim Yonally, Trak-East

Dana Nelson, Executive Director, Racing Commission

Opponents:

Tim Shultz, Kansans For Life At Its Best

~~Bob Runnels, Executive Director, Kansas Catholic Conference~~

SENATE CONCURRENT RESOLUTION NO. 1608

By Committee on Federal and State Affairs

A PROPOSITION to amend article 15 of the constitution of the state of Kansas by adding a new section thereto, relating to the operation of a casino gaming establishment in the city of Kansas City.

Be it resolved by the Legislature of the State of Kansas, two-thirds of the members elected (or appointed) and qualified to the Senate and two-thirds of the members elected (or appointed) and qualified to the House of Representatives concurring therein:

Section 1. The following proposition to amend the constitution of the state of Kansas shall be submitted to the qualified electors of the state for their approval or rejection: Article 15 of the constitution of the state of Kansas is amended by adding a new section thereto to read as follows:

"§ 3d. Regulation, licensing and taxation of casino gaming in city of Kansas City authorized. Notwithstanding the provisions of section 3 of article 15 of the constitution of the state of Kansas, the legislature may provide for a single casino gaming establishment to be located only within the corporate limits of the city of Kansas City on or adjacent to a parimutuel racetrack facility licensed by the state of Kansas and in operation on July 1, 1993. The legislature may regulate and license such casino gaming establishment and tax, at a rate of 6.25% of gross gaming revenues, the operation of such establishment. The revenues derived from such tax shall be annually appropriated by the legislature and a portion of the revenues from such tax shall

Sen. Fr. Sa  
1/28/93  
att 1

be used to support horse and dog racing in the state of Kansas."

Sec. 2. The following statement shall be printed on the ballot with the amendment as a whole:

"Explanatory statement. This amendment would authorize the operation of a casino in the city of Kansas City, Kansas.

"A vote for this proposition would permit the operation of a single casino gaming establishment located within the corporate limits of Kansas City. It would authorize the legislature to enact laws providing for the licensure and regulation of such a casino establishment and imposition of a tax on the revenues of the establishment. A portion of the tax revenues would be used to support horse and dog racing.

"A vote against this proposition would continue the current prohibitions applying to casino gaming."

Sec. 3. This resolution, if approved by two-thirds of the members elected (or appointed) and qualified to the Senate and two-thirds of the members elected (or appointed) and qualified to the House of Representatives, shall be entered on the journals, together with the yeas and nays. The secretary of state shall cause this resolution to be published as provided by law and shall cause the proposed amendment to be submitted to the electors of the state at a special election, which is hereby called for that purpose, to be held April 6, 1993, pursuant to section 1 of article 14 of the constitution of the state of Kansas.





STATE OF KANSAS

OFFICE OF THE ATTORNEY GENERAL

2ND FLOOR, KANSAS JUDICIAL CENTER, TOPEKA 66612-1597

ROBERT T. STEPHAN  
ATTORNEY GENERAL

MAIN PHONE: (913) 296-2215  
CONSUMER PROTECTION: 296-3751  
TELECOPIER: 296-6296

January 28, 1993

TO: Senate Federal and State Affairs Committee  
FROM: Attorney General Bob Stephan  
RE: Legislative Request

Charitable Organizations - Make four basic changes to the Charitable Organizations and Solicitations Act, K.S.A. 17-1759:  
1) require organizations to report additional fiscal information in their financial statement; 2) allow the Secretary of State to accept executed copies of federal Internal Revenue returns and reports in lieu of a financial statement; 3) require organizations that raise more than \$100,000 to file with the Secretary of State an audited financial statement; and 4) mirror the subpoena powers afforded the Attorney General in the KCPA, including allowing the Attorney General to serve subpoenas by certified mail.

*Sen. 7 & SA*  
*1/28/93*  
*act 2*

**PETE  
MCGILL**  
& ASSOCIATES INC.

GOVERNMENT AFFAIRS & PUBLIC RELATIONS

412 CAPITOL TOWER • 400 WEST EIGHTH • TOPEKA, KANSAS 66603 • 913•233•4512 • FAX 913•233•2206

**MEMORANDUM**

TO: The Honorable Lana Oleen, Chair  
Senate Federal & State Affairs Committee

FROM: Whitney Damron *WMD*

RE: Repeal of Liquor Stamps; Bill Request

DATE: January 28, 1993

On behalf of the Distilled Spirits Council of the United States (DISCUS), we would respectfully request introduction of a bill which would repeal the requirement of stamps on liquor bottles in the State of Kansas.

We have been working with Senator Ben Vidrickson and Mary Torrence of the Revisor's office on language and hope to have a bill draft available for the Committee by early next week.

WBD:jm

*Sen. F. & S. C.*  
*1/28/93*  
*Att 3*



PROPOSED BILL NO. \_\_\_\_\_

By \_\_\_\_\_

AN ACT concerning juveniles; relating to offenses involving sexual acts; amending K.S.A. 22-2913 and repealing the existing section.

Be it enacted by the Legislature of the State of Kansas:

New Section 1. (a) As used in this section:

(1) "Test for HIV infection" means a test approved by the secretary of health and environment to detect the etiologic agent for the disease acquired immune deficiency syndrome.

(2) "Laboratory confirmation of HIV infection" means positive test results from a confirmation test approved by the secretary of health and environment.

(3) "Sexual act" means contact between the penis and the vulva or the penis and the anus, and for purposes of this subparagraph contact involving the penis occurs upon penetration, however slight, and contact between the mouth and the penis, the mouth and the vulva, or the mouth and the anus.

(4) "Adjudication" includes one adjudged to be a juvenile offender or a juvenile felon.

(b) At the time of the first appearance before the court of a juvenile charged with an offense involving a sexual act the judge shall inform the juvenile or the parent or legal guardian of the juvenile of the availability of testing for HIV infection and counseling and shall cause the alleged victim of such an offense, if any, to be notified that testing for HIV infection and counseling is available.

(c) Upon the adjudication of a person for any offense involving a sexual act, the court: (a) May order the adjudicated juvenile to submit to a test for HIV infection or (b) shall order the adjudicated to submit to a test for HIV infection if the

Sen. F. + S.A.  
1/28/93  
Att 4

victim of the offense or the parent or legal guardian of the victim, if the victim is a minor, requests the court to make such order. If a test for HIV infection is ordered under this subsection (c), the victim of the offense, if any, who is not a minor shall designate a health care provider or counselor to receive such information on behalf of the victim. If the victim is a minor, the parent or legal guardian of the victim shall designate the health care provider or counselor to receive such information. If the test results in a negative reaction, the court shall order the adjudicated juvenile to submit to another test for HIV infection six months after the first test was administered.

(d) The results of any test for HIV infection ordered under this section shall be disclosed to the court which ordered the test, the juvenile or the parent or legal guardian of the juvenile and to the person designated under subsection (c) by the victim or victims of the offense or by the parent or legal guardian of a victim if the victim is a minor. If a test for HIV infection ordered under this section results in a laboratory confirmation of HIV infection, the results shall be reported to the secretary of health and environment and to the secretary of social and rehabilitation services and, in the case of a juvenile felon, to the secretary of corrections, and the secretary of health and environment shall provide to the victim or victims of such sexual act counseling regarding the human immunodeficiency virus, testing for HIV infection in accordance with K.S.A. 1992 Supp. 65-6001 et seq., and referral for appropriate health care and services.

(e) The costs of any counseling and testing for HIV infection provided under subsection (d) by the secretary of health and environment shall be paid from amounts appropriated for such purpose to the department of health and environment. The court shall order restitution to the department of health and environment for payment of the costs of any counseling provided

under this section and for payment of the costs of any test ordered or otherwise performed under this section.

(f) When a court orders an adjudicated juvenile to submit to a test for HIV infection under this section, the withdrawal of the blood may be performed only by: (1) A person licensed to practice medicine and surgery or a person acting under the supervision of any such licensed person; (2) a licensed professional nurse or a licensed practical nurse; or (3) a qualified medical technician. No person authorized by this subsection to withdraw blood, no person assisting in the performance of the test for HIV infection nor any medical care facility where blood is withdrawn or tested that has been ordered by the court to withdraw or test blood shall be liable in any civil or criminal action when the test is performed in a reasonable manner according to generally accepted medical practices.

(g) The results of tests or reports, or information therein, obtained under this section shall be confidential and shall not be divulged to any person not authorized by this section to receive the same. Any violation of this section is a Class C misdemeanor.

Sec. 2. K.S.A. 22-2913 is hereby amended to read as follows: 22-2913. (a) As used in this section:

(1) ~~"AIDS-test"~~ "Test for HIV infection" means a test approved by the secretary of health and environment to detect ~~antibodies-to-the-probable-causative~~ the etiologic agent for the disease acquired immune deficiency syndrome.

(2) ~~"A--positive--reaction"~~ "Laboratory confirmation of HIV infection" means ~~a--positive--AIDS---test---with---a---positive confirmatory--test--as--specified~~ positive test results from a confirmation test approved by the secretary of health and environment.

(3) "Sexual act" means contact between the penis and the

vulva or the penis and the anus, and for purposes of this subparagraph contact involving the penis occurs upon penetration, however slight, and contact between the mouth and the penis, the mouth and the vulva, or the mouth and the anus.

(4) "Conviction" includes a judgment of guilt entered upon a plea of guilty or no contest.

(b) At the time of an appearance before ~~a magistrate~~ the court under K.S.A. 22-2901 and amendments thereto, the ~~magistrate court~~ shall inform every person arrested and charged with a crime in which it appears from the nature of the charge that the transmission of body fluids from one person to another may have been involved, or involving a sexual act of the availability of ~~AIDS~~ AIDS testing for HIV infection and counseling and shall cause the alleged victim of such a crime, if any, to be notified that ~~AIDS~~ AIDS testing for HIV infection and counseling is available.

(c) Upon conviction of a person for any crime which the court determines from the facts of the case, involved or was likely to have involved, the transmission of body fluids from one person to another, or involving a sexual act the court: (a) May order the convicted person to submit to ~~an-AIDS-test~~ a test for HIV infection or (b) shall order the convicted person to submit to ~~an--AIDS--test~~ a test for HIV infection if the victim of the crime or the parent or legal guardian of the victim, if the victim is a minor, requests the court to make such order. If ~~an AIDS-test~~ a test for HIV infection is ordered under this subsection (c), the victim of the crime, if any, who is not a minor shall designate a health care provider or counselor to receive such information on behalf of the victim. If the victim is a minor, the parent or legal guardian of the victim shall designate the health care provider or counselor to receive such information. If the test results in a negative reaction, the court shall order the convicted person to submit to another ~~AIDS~~ AIDS test for HIV infection six months after the first test was administered.

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(d) The results of any ~~AIDS~~ test for HIV infection ordered under this section shall be disclosed to the court which ordered the test, the convicted person and to the person designated under subsection (c) by the victim or victims of the crime or by the parent or legal guardian of a victim if the victim is a minor. If ~~an-AIDS-test~~ a test for HIV infection ordered under this section results in a ~~positive--reaction~~ laboratory confirmation of HIV infection, the results shall be reported to the secretary of health and environment and to the secretary of corrections, and ~~such counseling-as--directed--by~~ the secretary of health and environment shall ~~be-provided-to-the-victim-or-victims~~ provide to the victim or victims of such sexual act counseling regarding the human immunodeficiency virus, testing for HIV infection in accordance with K.S.A. 1992 Supp. 65-6001 et seq., and referral for appropriate health care and services.

(e) The costs of any counseling and testing for HIV infection provided under subsection (d) by the secretary of health and environment shall be paid from amounts appropriated for such purpose to the department of health and environment. The court shall order restitution to the state department of health and environment for payment of the costs of any counseling provided under this section and for payment of the costs of any test ordered or otherwise performed under this section ~~shall--be included-by-the-court-in-any-order-requiring-the-convicted-person to-pay-restitution.~~

(f) When a court orders a convicted person to submit to an ~~AIDS-test~~ a test for HIV infection under this section, the withdrawal of the blood may be performed only by: (1) A person licensed to practice medicine and surgery or a person acting under the supervision of any such licensed person; (2) a licensed professional nurse or a licensed practical nurse; or (3) a qualified medical technician. No person authorized by this subsection to withdraw blood, no person assisting in the performance of the AIDS test for HIV infection nor any medical

care facility where blood is withdrawn or tested that has been ordered by the court to withdraw or test blood shall be liable in any civil or criminal action when the ~~act~~ test is performed in a reasonable manner according to generally accepted medical practices.

(g) The results of tests or reports, or information therein, obtained under this section shall be confidential and shall not be divulged to any person not authorized by this section to receive the same. Any violation of this section is a Class C misdemeanor.

Sec. 3. K.S.A. 22-2913 is hereby repealed.

Sec. 4. This act shall take effect and be in force from and after its publication in the statute book.



STATEMENT OF THE  
WICHITA GREYHOUND PARK, INC.

Presented to the Kansas Legislative  
Senate Committee on Federal and State Affairs  
The Honorable Lana Oleen, Chairperson

State house  
Topeka, Kansas  
January 28, 1993

Madam Chairperson and members of the committee:

My name is Roy Berger and I'm the Executive Vice President of Wichita Greyhound Park. On behalf of Wichita Greyhound Park, I thank you for the opportunity to speak before you today and to ask for your support of Senate Bill 78, seeking a pari-mutuel tax freeze.

The pari-mutuel racing industry nationally has seen a rather dramatic downturn over the past few years and unfortunately, Kansas has not been immune to the trend. In the three plus years of racing in Kansas, the business level has declined due to many of the factors that affect the industry nationally: a soft economy, severe competition for the discretionary dollar and the advent of competitive forms of gaming.



Nationally, casinos have proliferated in many pari-mutuel markets over the past few years having a nasty impact on the profitability of racetracks. In fact, the state of Wisconsin, which began pari-mutuel racing in 1990 with five greyhound tracks, has seen four of those tracks lose money the past couple of years and in imminent danger of closing. Iowa, with four racetracks, has seen one close and two lose money over the past three years.

In Wichita, we've been adversely affected not only by the economy but the state lottery with their national Lotto America jackpots and most recently with video Keno, which has established a niche in the marketplace. Competition every day for the leisure and discretionary dollar is becoming more and more fierce.

Wichita Greyhound Park was financed and built upon projections of an annual pari-mutuel handle of between \$90 and \$100 million. As the attached sheet entitled "Wichita Greyhound Park Statistics and Economic Impact" illustrates, the mutuel handle in our three full years of racing has never approached that level and indeed is headed in the wrong direction.

Obviously, with business levels not reaching forecast, the bottom line profitability that our ownership group projected to justify a \$20 million investment has never been and probably never will be realized.

A quick review of the supplement shows Wichita Greyhound Park reaching a mutuel handle of over \$74 million in 1990; in 1991 with the addition of 24 programs our handle topped \$77 million and then last year we fell to just over \$69.5 million. Presently, in 1993 we are running about 3% behind the 1992 pace. Even more troubling

is our total mutuel handle was down 10% in 1992 from 1991 and our average handle decreased 7% in that same period. There was a 9% decrease comparing the 1990 average with the 1992 average.

On the bright side however, is a review of the monetary impact Wichita Greyhound Park has had on the local Wichita, Sedgwick County and statewide economy.

Since our inception in 1989 through the end of 1992 WGP has paid:

- over \$2.4 million in charitable contributions making us number one in the country in charitable grants;
- over \$12 in purse money to greyhound owners and breeders.
- Our total payroll in three plus years has reached \$14 million.
- In state pari-mutuel tax we've paid over \$8 million. That doesn't include the \$250,000 that we pay annually to the Racing Commission for judges and veterinarians nor the \$61,000 we pay annually for license fees.
- WGP has paid in excess of \$1.1 million in state sales and liquor taxes.
- To Sedgwick County we've paid in excess of \$1.6 million in real estate and property tax.
- We've paid over \$340,000 in admission tax to the state treasury and over \$5.1 million in taxes to federal and state government on customer winnings.
- The total taxes paid by Wichita Greyhound Park has exceeded \$16.5 million to date.

Members of the Committee, we're certainly proud of our contribution to the local economy and state of Kansas over the past three plus years. However, if the pari-mutuel taxes increase, the level of contribution will be significantly lessened and the very viability of Wichita Greyhound Park jeopardized in the coming years.

Simply put, an increase of 1/18 actually translates to about 1.2% and effectively takes our tax rate from the present 3.5% to about 4.7%. This increase means about 33% of our bottom line going to additional taxes. At the present tax rate it will be about eight years before our ownership group realizes any profit on its investment. If the tax increase goes into effect this year and again in 1994, it will be a minimum of 12 years before any profit can be realized and that is assuming the business level stayed the same, which is unlikely.

There's no place for us to overcome that revenue loss; instead, the only avenues for us to offset the loss to a degree would be substantial reduction in our advertising and marketing budget and a reduction in payroll.

The trickle down impact of cutting advertising, marketing and payroll unfortunately is felt on business levels and customer service and reduces substantially all the economic impact categories that we are so proud to have made major contributions.

Senators, we very much need and would like your support on SB 78 freezing, not reducing, the pari-mutuel tax rate.

I'd like to conclude by referencing two of the new states in pari-mutuel wagering that have made recent legislative adjustments to their pari-mutuel tax structures.

Iowa, where I helped inaugurate the industry in 1985, passed legislation in 1989 that took the state tax rate from a straight 5% of handle to incremental levels of 3% to 4% and finally back to 5% at a certain handle threshold.

Texas just passed a similar bill answering the racetracks' need for consideration from a newly passed state lottery.

Texas took their pari-mutuel tax from a flat 6% and reduced it to 2% of the first \$100 million wagered; 3% for the next \$100 million; 4% up to \$300 million; and then 5% over \$300 million wagered.

The pari-mutuel industry applauds Iowa, Texas and other states that have passed legislation to help the racing industry stay strong.

I thank you for your time and attention today and Wichita Greyhound Park respectfully asks for your support on SB 78.

I'll be glad to answer any questions you might have. Thank you.

# Wichita Greyhound Park Statistics and Economic Impact

## September 7, 1989 - December 31, 1992

TOTAL ATTENDANCE - 2,439,871  
TOTAL MUTUEL HANDLE - \$246,261,820

### BY CALENDAR YEAR

	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>
Performances:	133	424	448	435
Attendance:	306,525	762,661	740,663	630,022
Mutuel Handle:	\$25,104,320	\$74,280,861	\$77,231,268	\$69,645,371
Average Attendance:	2,304	1,799	1,653	1,448
Average Handle:	\$188,754	\$175,191	\$172,391	\$160,104

### ECONOMIC IMPACT

Charitable Contributions	\$2,462,616
Purse Money to Greyhound Owners & Breeders	\$12,030,927
Total Payroll (approximately 380 jobs)	\$13,820,609
State Pari-Mutuel Tax Paid	\$8,234,679
State Sales and Liquor Tax Paid	\$1,178,522
County Real Estate and Property Tax Paid	\$1,617,981
Admissions Tax	\$341,580
Taxes on Customer Winnings	
Federal - \$4,126,349	
Kansas - \$1,028,577	
Total:	\$5,154,927
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<b>TOTAL TAXES</b>	<b>\$16,527,688</b>



Attach. 6

**Board of Directors**

Charles D. Belt  
Thomas D. Kitch  
John M. Bell  
Michael Easterday  
Daniel E. Foley  
Kenneth P. Brasted, II  
Otis Milton  
Connie Dietz  
Glen Rupe  
June Landrith  
Michael C. Weigand



**Staff**

Richard E. LaMunyon  
*Executive Director*  
Diana R. Otis  
*Assistant Director/  
Grant Coordinator*  
Jeana Stuck  
*Executive Secretary*  
Benjamin E. Travis  
*Director of Racing*  
Danny Crouch  
*Director of Mutuels*

Senate Federal and State Affairs Committee  
January 28, 1993

Richard E. LaMunyon  
RE: Senate Bill #78

Madam Chairman and Members of the Committee:

I am Richard LaMunyon, Executive Director for Wichita Greyhound Charities, Inc. I am speaking to you today on behalf of the Wichita Greyhound Charities Board of Directors. I thank you for this opportunity.

Wichita Greyhound Charities, Inc. is a not-for-profit organization. It's Board is comprised of eleven volunteer business men and women who reside in the Wichita and Topeka areas. Wichita Greyhound Charities, Inc. was granted the "organizational license" for a greyhound track in Wichita by the State in 1987. By statute, Wichita Greyhound Charities has the oversight responsibilities of all track operations and is specifically responsible for the racing and mutuels departments.

Through management agreements, which were approved by the Kansas Racing Commission, Wichita Greyhound Charities contracted with Wichita Greyhound Park to build and operate the greyhound facility.

1500 E. 77th St. North • P.O. Box 277 • Valley Center, KS 67147  
(316) 755-2381 • Fax: (316) 755-2405 • (800) 535-0482

*Sen + Fed. Off.*  
*1/28/93*  
*Att 6*



The present Park management team, lead by Mr. Roy Berger, is performing in an outstanding manner. I can confidently report to you that Wichita Greyhound Park is fulfilling their management and statutory responsibilities in a highly professional manner, providing the State and it's citizens an important source of revenue.

During the development of the management agreements between Wichita Greyhound Charities and Wichita Greyhound Park, it was agreed that one percent (1%) of the total betting handle would be paid to Wichita Greyhound Charities to provide money for Kansas based charitable organizations. To date we have provided well over two million dollars (\$2,000,000.00) to not for profit organizations all across Kansas. There is no racing facility in the country that can match these figures. These dollars are a direct result of Wichita Greyhound Park's ability to manage, market and operate in a profitable environment.

But the millions of dollars provided to charities and the millions paid in taxes and payroll as previously enumerated by Mr. Roy Berger are at risk!! As you are aware, there are numerous competitive pressures already in place, and more on the horizon, that seriously affect the pari-mutuel industry. In order for the State, it's citizens and the numerous charitable organizations to continue to benefit at the current level, your assistance is required. We are not asking for your support in reducing taxes, only for maintaining them at their present level.

Sen. F. + S.A.  
1/28/93  
Att 6-2



On behalf of the Board of Directors of Wichita Greyhound Charities, Inc. I solicit your support of SB 78. Thank you for this opportunity to speak and for your attention. I will be glad to respond to any questions regarding my testimony.

Attach 7



TESTIMONY OF BRUCE RIMBO  
EXECUTIVE VICE PRESIDENT  
OF THE WOODLANDS

Thank you for the opportunity to speak before you today. My name is Bruce Rimbo. I am Executive Vice President of The Woodlands and President of Hubbard Enterprises and I am here to speak in support of Senate Bill 78.

I believe it always helps when considering legislation to look at past history. It was not that many years ago that this august body made the determination to let the people exercise their constitutional right by deciding whether the state of Kansas would authorize pari-mutuel horse and greyhound racing. The people responded by sending a clear message with their vote...a message that authorized racing and required a 3% state pari-mutuel tax.

The people were told of the economic value that the pari-mutuel industry could and would bring to the state. I must shake my head when I read uninformed editorial writers or mayors from bordering cities that call our pari-mutuel tracks in general and The Woodlands in particular as not producing the economic input to the state that was planned.

Let me briefly tell you a little of what we have meant to our community and the state of Kansas. During construction, The Woodlands created 1,810 jobs and produced a direct impact on the local economy of \$116 million according to a study completed in 1991 by Kansas University.

Since we began operations in September of 1989, The Woodlands has become the second leading entertainment attraction in the greater Kansas City area, second only to the Kansas City Royals. Kansas charities have received a total of \$2 million and the estimates put the impact of pari-mutuel on the Kansas agri-business somewhere in the neighborhood of \$600 million.

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Just as significantly is the fact that The Woodlands has paid the state of Kansas \$46 million in taxes since opening. We pay an average of \$47,000 for every racing day. Racing certainly remains one of the only businesses in America that pays taxes on the gross revenues and then is taxed again on the bottom line income.

But perhaps what we are most proud of is the fact that we are the third largest employer in Kansas City, Kansas with more than 800 people and their families relying on The Woodlands for an annual payroll of more than \$8 million. Senators, The Woodlands is proud of these numbers and we are hurt by those that say they represent failure or unbroken promises.

I often read with interest about the many millions of dollars in Industrial Revenue Bonds that have been awarded to small and large companies throughout Kansas. I read with interest how the mayor of a bordering city offered the keys to the city on a silver platter to attract McDonnell Douglas to his city. I read with interest the tax incentives and abatements that have been offered to companies that employ far, far fewer than the 800 people that work at The Woodlands. Yet The Woodlands was constructed and operates without one cent of government subsidies or incentives. I wonder what kind of incentives would be offered today to a new industry offering 800 jobs if they wanted to locate in Kansas?

We are here today not seeking a "handout" or "subsidy". We are simply here asking that the present stream of taxes be frozen at the constitutionally-mandated minimum of 3%. The economic climate and certainly the gaming climate in this state and in this country has changed dramatically since the enabling legislation for the constitutional amendment was passed. Today, the pari-mutuel industry faces competition from bordering states all around us. For that matter, the very state that regulates us and collects its \$47,000 per racing day in taxes is one of our biggest competitors with a keno game every five minutes as part of its lottery.

We are here asking that you leave the present tax situation as it is. SB-78 freezes the present tax at 3% rather than increasing in the years ahead. It has no negative impact to the state. It is vitally important to an industry that we believe is vitally important to the state of Kansas for the many reasons I have outlined before you.

The Woodlands asks that you support Senate Bill 78 with an affirmative vote. Thank you.

Attach 8

Testimony of Dana Nelson  
Executive Director  
Kansas Racing Commission  
for the  
Senate, Federal and State Affairs Committee  
January 28, 1993  
Senate Bill 78

Good morning Madam Chairman, members of the Senate, Federal and State Affairs Committee. My name is Dana Nelson I am the Executive Director of the Kansas Racing Commission. I come before you today to share with you some observations which the Kansas Racing Commission has with regard to the parimutuel racing industry not only in this state but in the country.

The role of the Kansas Racing Commission in this process is to be a resource and information advocate for this piece of legislation. Any body which regulates an industry has a corresponding responsibility to make sure the industry being regulated is healthy. I can not stand before you today and tell you that the parimutuel racing industry across this country, and in our own state is as healthy as it could be.

When the people of Kansas authorized parimutuel wagering with a constitutional amendment in 1986, the industry was coming off some of the highest points in its history. New tracks were being built and opened almost daily. The states of Minnesota, Iowa, North Dakota, Virginia, Tennessee, Wisconsin, Texas, and Indiana also authorized parimutuel wagering in the same time frame. Coincidentally, many states also moved into the lottery

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business, and others approved some form of limited gaming or riverboat gaming.

It appeared as though Kansas was moving in the same direction as many other states and parimutuel would be a significant economic development activity for the state. On the other hand however, Kansas could not have entered the parimutuel racing industry at a worse time. The rapid expansion of gaming throughout the country, both parimutuel and lottery, and the economic climate served to change the industry for evermore. Rather than seeing increased parimutuel handles as the industry experienced throughout the country for the past 10 to 15 years, the industry took a turn in 1985. Since 1986, not a single greyhound track in this country has shown a five-year trend of increasing handles. In fact to the contrary, many tracks have shown a continued downward spiral over the same five-year period. Kansas itself got off the mark in 1989 with Wichita Greyhound and the Woodlands opening. Wichita Greyhound averaged a very respectable \$190,000 per performance. The Woodlands quickly became one of the top five greyhound tracks in the country by averaging a very healthy \$507,000 per performance its first four months of operation. 1990 brought the typical sophomore returns, when Wichita averaged just a shade under \$174,000 a performance, an 8.6% reduction, and Woodlands approximately \$477,000 for a 5.9% reduction. Normally history would suggest that the third year should remain stable if not increase slightly over the second year. However, for 1991

Wichita averaged \$171,600 a performance, a very modest 1.3% drop. Woodlands on the other hand averaged \$411,000 a performance, a 13.9% drop. In 1992 the tracks dropped an additional 6.7% at Wichita to \$160,100, and 8.1% at Woodlands to \$374,900. 1993 has started off slowly as well.

These numbers are not as startling when compared to other tracks around the country. All three of the Alabama tracks have shown reductions since 1989. Generally the Arizona tracks have seen a downward spiral since 1986. Southland Greyhound in Arkansas, one of the largest tracks in the country has shown a seven-year trend downward. The tracks in Colorado have fluctuated as they juggled dates to some extent, but in general have shown a downward spiral. For the last five years Plainfield, Connecticut has been on the decline. Since 1986 virtually every track in Florida has shown an annual decrease. Our neighbor to the north, Iowa turned in some impressive numbers after their tracks opened, but for the last four years has seen the numbers tumble. Bluffs Run in its initial year of operation 1985 averaged just a shade under \$300,000 a performance. The 1990 numbers for that facility were only \$182,000 a performance. The 1991 and 1992 numbers are in the \$150,000 range. Multnomah Kennel Club in Oregon seemed to buck the trend for awhile. It showed a modest 3 to 7% gains for six years, before plunging some 35% in 1992.

Wisconsin, also a newcomer to the parimutuel industry, showed some outstanding numbers in its initial year of operation. Geneva Lakes averaged over \$281,000 its first year but only \$185,000 a performance its second year. Fox Valley went from \$127,000 per performance its first year to approximately \$94,000 its second year. Wisconsin Dells averaged slightly over \$139,000 its first year but only \$108,000 its second year. St. Croix Meadows just across the border from the Twin Cities averaged only \$173,000 its first year and is struggling to maintain \$125,000 today. Both Fox Valley and St. Croix are on the brink of closing.

Also, for the first time in most people's memories, two greyhound tracks closed in 1991. Black Hills Greyhound in South Dakota, and Key West Greyhound in Florida closed their doors. Black Hills Greyhound first opened in 1949, and Key West in 1953. Sodrac Park in South Dakota will not offer live racing in 1993.

It may surprise you to find out that the state of the greyhound industry is much better than the horse industry. One only needs to look to the north a little bit to see that Prairie Meadows, after three unsuccessful years did not run in 1992 nor does it look like the track will in 1993. The future of Canterbury Downs is clouded as well, and there are no plans to run in 1993. Tracks in Seattle, Tucson, Denver, Boston, New Orleans, Portland, Miami, and Louisville have closed or are near



closing because of competition for the gaming dollar and difficult financial situations.

The ideas and agreements made and deals struck in 1986 and 1987 need to be revisited and considered by the legislature. State government needs to view the development of the parimutuel racing industry as a economic development project. Few employers employ as many people as the Woodlands or Wichita Greyhound. The Woodlands employs over 1,000 full and part-time employees with an annual payroll of 8 1/2 million dollars. Wichita Greyhound's annual payroll is approximately 4.1 million dollars and they employ over 390 full and part-time employees. Those salary dollars turn over several times in the respective communities, and contribute to the wide spread economic development of the horse and greyhound breeding and racing industry in the state of Kansas. In the past three years Wichita Greyhound and the Woodlands have awarded over 3.6 million dollars to Kansas nonprofit charitable organizations. Nearly \$750,000 has been contributed to Kansas State University for research into the injuries and illnesses of racing greyhounds. The success of the Kansas Bred Greyhound Program and the Kansas Horse Breeders Program depend on a healthy parimutuel racing industry. Finally, money has been generated for greyhound tourism, and the support of the Greyhound Hall of Fame in Abilene. Many of these items literally hang in the balance with the health of the parimutuel racing industry.

Neither of the racetracks in Kansas is in such a positive business position that they can afford to have an additional 1% of every dollar taken off their bottom line and contributed to the state, as the current statute requires. The changes requested in SB 78 are designed to help prevent our Kansas tracks from being pushed to the brink of closing.

The dollars that we are talking about are not dollars which the state has collected at this time. These dollars we are discussing are future potential revenue to the state of Kansas. The changes recommended in this bill will not effect the formula used to calculate revenues today.

Kansas currently has a reasonably favorable tax climate with regard to parimutuel racing, and it is only the escalation which the tracks are asking you to consider eliminating. Because of the amount of debt to service, and the status of the industry, the racing commission feels that the request before you is reasonable and worthy of serious consideration by the Kansas Legislature. Kansas needs to view the parimutuel racing industry as an industry, and not merely a source of revenue.

Several states have analyzed their racing industry in this manner, and although it may not always be greyhound racing that they are considering, states have been pro-active in reducing the states share of the takeout to sustain this very labor intensive industry. Less than two years ago, the state of Texas

reduced their takeout for horse racing in order to encourage development of the three major markets, Dallas, Houston, and San Antonio. At the same time they also reduced their greyhound takeout. Our neighbor to the north, Nebraska, a horse state, has completely eliminated its state tax from its horse tracks, in recognition of the fact that it is a significant labor intensive industry.

States also handle the distribution of breakage, and unclaimed tickets differently. In a number of states the unclaimed tickets and breakage are reserved exclusively for the track. In other states it is shared between the state, the track, and sometimes various breed programs. Kansas takes all of the breakage and unclaimed tickets and earmarks them for purses or breed programs. None of those dollars are retained by the licensee. Kansas also charges back the cost for horse stewards and greyhound racing judges and veterinarians to the track. In most states those fees are absorbed by the racing fund and paid for out of regular revenues received by the state.

Thank you for giving me the opportunity to share with you some of the facts with regard to the parimutuel racing industry not only in this state but in the country. I would be pleased to try to respond to questions or comments from the committee.

Testimony of Kansans For Life At Its Best  
Before the  
Senate Committee on Federal and State Affairs  
S.B. 78

January 28, 1992.

Tim Shultz

Good morning, my name is Tim Shultz. I represent Kansans For Life At Its Best. I would like to thank the committee for the opportunity to speak to you on behalf of the constituents of Kansans For Life At Its Best regarding Senate Bill 78.

Let me begin by stating that Kansans For Life At Its Best does not support pari-mutuel gambling in the state of Kansas. Yet we are not here today to argue the pro's and con's of pari-mutuel gambling, we are here to discuss what would be best for the State of Kansas regarding the taxing of pari-mutuel gambling. With this in mind let me turn to the matter at hand, Senate Bill 78.

In 1987 Kansas Statute 74-8823 went into effect. K.S.A. 74-8823 established a state tax to be imposed on the gross sum wagered at the pari-mutuel tracks. The tax on the daily pools for greyhound racing was to be 3/18 during the first four years each greyhound racing facility operated. The tax on greyhound racing was to increase during the fifth year to 4/18 and then increase to 5/18 during the sixth and subsequent years each

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greyhound facility was operating.

A similar tax structure for a dual racetrack facility operating both greyhound and horse races was statutorily established in K.S.A. 74-8823, but the 3/18 tax is to be imposed for the first seven years a dual racetrack is operated; the 4/18 tax is to be imposed during the eighth and ninth years and the 5/18 tax is to be imposed during the tenth and subsequent years.

We feel that these tax structures established in 1987 are appropriate and we therefore oppose S.B. 78.

It is easy to dismiss a tax increase when fractions such as 3/18 to 4/18 are the figures discussed. It is a more difficult to dismiss such a tax increase when the actual dollar figures are considered. In 1990, the combined total handle (the amount wagered) at all pari-mutuel racetracks including Eureka Downs in Eureka, which is not currently in operation, was \$273,355,638 according to the 1990 Kansas Racing Commission Annual Report (attachment A). The 1990 pari-mutuel tax collected by the State was \$8,925,923. Although the State received nearly \$9 million in 1990, the racetracks combined commission was over \$31 million. Therefore, the racetracks fared well in 1990.

In 1991, the total combined handle at all pari-mutuel racetracks was \$246,971,572 according to the 1991 Kansas Racing Commission Annual Report (attachment B). The nearly \$247 million wagered in 1991 was wagered only at the Wichita Greyhound Park and the Woodlands in Kansas City, as the Eureka racetrack was not in operation in 1991. The numbers may be somewhat deceiving as a slight decrease from 1990 to 1991 seems apparent. Yet, when the

actual dollars wagered at the Woodlands and Wichita in 1990 are compared with the dollars wagered at these two racetracks in 1991 it is obvious that there was only a slight decrease in dollars wagered at the Woodlands in 1991 and there was an increase in dollars wagered at the Wichita racetrack. Therefore, pari-mutuel gambling is not declining and the financial viability of the racing industry in Kansas is not threatened.

The pari-mutuel racetrack promoters are telling you that the industry has declined over the past few years and that with the rise of the lottery and the possibility of Indian gaming and casinos the decline in pari-mutual gambling will continue. Lets not get ahead of ourselves. As of now the State does not have legislation in place that would permit Indian gaming. Likewise, privately owned casinos are prohibited by the Kansas Constitution. The fact is that the Woodlands and Wichita are making a profit. They may not be making as much profit as they want to make, but who is. The question then becomes whether the State is going to accept S.B. 78 and permit the racetracks to increase their profits at the expense of the State of Kansas or is the state going to stand firm on the tax levels established in 1987.

If this committee decides to approve S.B. 78 Kansas stands to lose a substantial amount of tax revenue. In 1993 the State will lose over \$550,000 just from the lost taxes at the Wichita Track. In 1994 this figure will increase to \$711,000. In 1997 the State will lose nearly \$2 million in lost taxes from the Woodlands and the Wichita combined handle. In 1988 Kansas will

lose an estimated \$2,235,000 if S.B. 78 is approved. Therefore, Kansans For Life At Its Best strongly urges this committee not to approve S.B. 78.

In previous testimony, Dana Nelson, the current Racing Commissioner stated that the State currently collects three and one-half percent of every dollar wagered. The current statutory tax increase would allow the state to collect only about four and one-half percent of every dollar wagered. These tax level are comparable to tax levels received in other states. I have attached 1990 and 1991 racetrack monetary breakdowns to my testimony as attachments C through D. As you can see Colorado collects four percent of the handle and Texas collects six percent. Therefore, the current statutory tax levels in K.S.A. 74-8823 are not out of the norm.

Should this committee determine that it would be appropriate to reconsider the tax levels currently in the Kansas statutes, I would suggest the committee consider some sort of staggered tax according to the daily amounts wagered. Attachment E shows how Iowa accomplishes a similar tax structure. I would suggest that the tax level be 3/18 for the first \$500,000 daily totals; 4/18 for a daily handle from \$500,000 to \$1 million; and 5/18 for anything over \$1 million. These figures could be decided by the committee with the racetracks input. This would allow the committee to make an appropriate tax structure while providing some relief to the racetracks, assuming true the contention that pari-mutuel gambling is declining.

Again let me state that we are opposed to any change in the



current tax structure as it is stated in K.S.A. 74-8823. The millions of dollars the State of Kansas stands to lose will go far in school financing, highway maintenance and the myriad of other expenses of the State. Thank you again for the opportunity to speak.

KANSAS RACING COMMISSION  
DISTRIBUTION OF HANDLE  
CALENDAR YEAR 1990

	<u>Horse</u>			<u>Greyhound</u>			<u>Combined</u>
	<u>Woodlands</u>	<u>Eureka</u>	<u>Total-Horse</u>	<u>Woodlands</u>	<u>Wichita</u>	<u>Total-Greyhound</u>	<u>Total State</u>
Handle	\$42,152,428.00	\$1,721,494.00	\$43,873,922.00	\$155,200,855.00	\$74,280,861.00	\$229,481,716.00	\$273,355,638.00
Takeout:							
Parimutuel Tax	\$1,380,140.58	\$ 54,984.46	\$ 1,435,125.04	\$ 5,048,856.53	\$ 2,441,942.03	\$ 7,490,798.56	\$ 8,925,923.60
Purses * <sup>1</sup>	2,760,457.96	110,086.58	2,870,544.54	6,734,954.77	3,255,858.84	9,990,813.61	12,861,358.15
Track Commission	4,140,598.43	165,071.07	4,305,669.50	18,542,489.78	8,224,129.38	26,766,619.16	31,072,288.66
Total	\$8,281,196.97	\$ 330,142.11	\$ 8,611,339.08	\$30,326,301.08	\$13,921,930.25	\$ 44,248,231.33	\$ 52,859,570.41
Breakage * <sup>2</sup>	324,438.93	16,269.69	340,708.62	579,450.04	211,265.35	790,715.39	1,131,424.01
Return to Wagering Public * <sup>3</sup>	\$33,546,792.10	\$1,375,082.20	\$34,921,874.30	\$124,295,103.90	\$60,147,665.40	\$184,442,769.30	\$219,364,643.60

\*<sup>1</sup> Does not include additional money added by the track or stakes awards--only minimum purse contribution from the parimutuel handle required by statute.

\*<sup>2</sup> The odd cents by which the amount payable on each dollar wagered in a parimutuel pool exceeds a multiple of ten cents.

\*<sup>3</sup> Includes winning ticket money that was never claimed.

**Calendar Year 1991**

	Kansas City		Wichita	
	Horse	Greyhound	Greyhound	Total
Handle	\$34,502,525	\$135,237,464	\$77,231,583	\$246,971,572
Attendance	360,192	1,145,192	742,040	2,247,424
Race Days	75	214	295	584
Performances	75	329	448	852

**\*Revenue**

Parimutuel Tax	\$1,154,408	\$4,491,541	\$2,544,683	\$8,190,632
Admissions Tax	\$63,060	\$108,745	\$107,296	\$279,101
Licensing	\$17,280	\$20,325	\$11,360	\$48,965
Fines	\$3,785	\$4,455	\$4,937	\$13,177
Daily Licensing Fees	\$15,000	\$42,800	\$59,000	\$116,800
Total Revenue	\$1,253,533	\$4,667,866	\$2,727,276	\$8,648,675

**Average**

Revenue Per Day	\$16,714	\$21,859	\$9,245	\$14,809
Revenue Per Performance	\$16,714	\$14,188	\$6,088	\$10,151
Handle Per Day	\$460,034	\$631,951	\$261,802	\$422,897
Attendance Per Performance	4,803	3,481	1,656	2,638

\*Revenue as reported on an accrual basis rather than a cash basis.

Attachment B

**Greyhound Racing**  
**Colorado**  
**(On-Track and Inter-Track Wagering)**

	<b>Win-Place-Show Wagers</b>	<b>2-Greyhound Wagers</b>	<b>Wagers on 3 or More</b>
<b>Takeout</b>	15.00%	15.00%	15.00%
<i>Distribution:</i>			
<b>State Tax</b>	4.00%	4.00%	4.00%
<b>Purses</b>	Not Legislated <sup>1</sup>		
<b>Track</b>	Balance After Purse Payments		

<sup>1</sup> Purses paid in 1988 averaged 3.1% of handle.

Breakage: \$0.10; 100% to Association

Distribution of Outs: 100% to Association; no time limit for validity of tickets

License/Franchise Fees: None

Capital Improvement Allowance Provisions: None

State Owners/Breeders Program: None

1990  
Attachment C

**Greyhound Racing**  
**Colorado**  
**(On-Track and Inter-Track Wagering)**

	Win-Place-Show Wagers	2-Greyhound Wagers	Wagers on 3 or More
Takeout	15.00% <sup>1</sup>	15.00% <sup>1</sup>	15.00% <sup>1</sup>

**Distribution:**

State Tax	4.00% <sup>1</sup>	4.00% <sup>1</sup>	4.00% <sup>1</sup>
Local Tax	1.00% <sup>2</sup>	1.00% <sup>2</sup>	1.00% <sup>2</sup>
Purses	Not Legislated <sup>3</sup>		
Track	Balance After Purse Payments		

<sup>1</sup> Takeout and state tax at Mile High meeting only is applied to total handle less a one percent Commerce City tax (i.e., the 15.00% takeout and 4.00% state tax is applied to 99.00% of total handle).

<sup>2</sup> Commerce City tax only at Mile High meeting.

<sup>3</sup> Purses paid in 1990 averaged 3.3% of handle.

**Breakage:** \$0.10; 100% to Association

**Distribution of Outs:** 100% to Association; no time limit for validity of tickets

**License/Franchise Fees:** None

**Capital Improvement Allowance Provisions:** None

**State Owners/Breeders Program:** None

**1991 Pending Legislation:** As this report went to press, legislation was introduced which would increase the takeout to 17.50%, the state tax to 4.50%, and legislate purses at 4.00%.

## Greyhound Racing

### Texas

	Win-Place-Show Wagers	2-Greyhound Wagers	Wagers on 3 or More
Takeout	18.00%	20.00%	20.00%

*Distribution:*

State Tax	6.00%	6.00%	6.00%
Purses	3.50% (Minimum)	3.50% (Minimum)	3.50% (Minimum)
Track	Balance		

Breakage: \$0.10; 50% to State, 25% to Texas-bred and stakes races, 25% to Texas Greyhound Breeders' Association

Distribution of Outs: 100% for drug testing programs

License/Franchise Fees: License fee of \$460,000 (\$880,000 in Galveston County)

Capital Improvement Allowance Provisions: None

State Owners/Breeders Program: 50% of breakage allocated to Texas-bred purses and Texas breeders

1990  
Attachment D

## Greyhound Racing

### Texas

	Win-Place-Show Wagers	2-Greyhound Wagers	Wagers on 3 or More
Takeout	18.00%	20.00%	20.00%

*Distribution:*

State Tax	6.00%	6.00%	6.00%
Purses	3.50% (Minimum)	3.50% (Minimum)	3.50% (Minimum)
Track	Balance		

**Breakage:** \$0.10; 50% to State, 25% to Texas-bred and stakes races, 25% to Texas Greyhound Breeders' Association

**Distribution of Outs:** 100% for drug testing programs

**License/Franchise Fees:** License fee of \$460,000 in Cameron and Nueces counties, \$880,000 in Galveston county

**Capital Improvement Allowance Provisions:** None

**State Owners/Breeders Program:** 50% of breakage allocated to Texas-bred purses and Texas breeders

1991

Attachment D-1

## Greyhound Racing

### Iowa (On-Track and Inter-Track Wagering)

	Win-Place-Show Wagers	2-Greyhound Wagers	Wagers on 3 or More
Takeout	16.00%	20.00%	20.00%

**Distribution:**

State & Local Tax	4.00% <sup>1</sup> 5.00% <sup>2</sup> 6.00% <sup>3</sup>	4.00% <sup>1</sup> 5.00% <sup>2</sup> 6.00% <sup>3</sup>	4.00% <sup>1</sup> 5.00% <sup>2</sup> 6.00% <sup>3</sup>
Debt Retirement/ Capital Improvements	2.00% <sup>1</sup> 1.00% <sup>2</sup>	2.00% <sup>1</sup> 1.00% <sup>2</sup>	2.00% <sup>1</sup> 1.00% <sup>2</sup>
Purses	Minimum Approved by Commission <sup>4</sup>		
Track	Balance After Purse Payments		

<sup>1</sup> If total handle is less than \$30 million; ITW taxed as separate pool at receiving track's rate.

<sup>2</sup> If total handle is between \$30 million and \$55 million; ITW taxed as separate pool at receiving track's rate.

<sup>3</sup> Tax if total handle is over \$55 million; ITW taxed as separate pool at receiving track's rate.

<sup>4</sup> Purses paid in 1989 averaged 3.0% of handle

**Breakage:** \$0.10; 100% to breeders' programs

**Distribution of Outs:** 100% to State, payable 60 days after close of race meet; allocated to pay costs of drug testing. Any excess allocated 1/3 to City, 1/3 to County, and 1/3 to Association (for debt retirement and capital improvements).

**License/Franchise Fees:** \$200 per race day

**Capital Improvement Allowance Provisions:** Tracks with annual handle under \$30 million set aside 2.00% of handle for debt retirement or for capital improvements; tracks with annual handle from \$30 million to \$55 million set aside 1.00% of handle.

**State Owners/Breeders Program:** 100% of breakage allocated to State breeders' program

**1989 Tax Change:** Effective 5/24/89, tax reduced from 6.00% (State and local taxes) for tracks with annual handles under \$55 million, with the reduction allocated to debt retirement or capital improvements (see above).

Attachment E