

Approved: 4-6-93  
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 February 22, 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:  
Rebecca Rice, Kansas Retail Liquor Dealers Assoc.  
Jim Conant, ABC  
Jack Jones, Kansas Animal Health Dept.  
See attached list

Others attending: See attached list

Sen. Oleen announced the committee will hear testimony on SB 322 and introduced the following proponents:

Tuck Duncan (Attachment 1);  
Richard Ferguson, Jr., (Attachment 2).

Committee members discussed the increased cost because of the smaller sizes - 50 ml. - and if the availability of the smaller bottles will encourage drinking. Rebecca Rice explained that the smaller sizes are more relevant to business sales, since dealers are now prohibited from selling to airlines, hotels, caterers and mini-bars, and Jim Conant explained that mini-bars are not legal at this time. Sen. Oleen asked how this bill would effect the military, and Mr. Duncan answered that the military imports directly from the suppliers, and they are able to stock military guest quarters with the smaller bottles. In answer to a question from Sen. Jones, Mr. Duncan stated the wholesalers cannot sell directly to the consumer. Kansas has a three-tier system of distribution and the law says it must be sold by retailers by the bottle; consequently, this bill is needed to sell the 50 ml. bottles by the sleeve, thus, eliminating potential for breakage. There would be no change in the distribution system. Sen. Vidricksen asked Mr. Duncan what the law is on Indian Reservations, and Mr. Duncan replied the Indians are their own sovereign nation and that the retailers will probably sell directly to them, if the casino Resolution passes. He stated he is not aware if the Indians dispense liquor on the Reservations. Sen. Oleen questioned Mr. Conant about an administrative amendment he had discussed with her. Mr. Conant explained the bill specifically singles out "spirits" available in the 50 ml. size and that for ease of understanding, the ABC recommends using the words "beverage alcohol" instead of "spirits". In answer to another question, Mr. Conant stated he saw no impact on enforcement problems for the ABC and the smaller size bottles, and he clarified that hotels are licensed to mix and serve drinks, not to sell liquor in its original package. He stated they have denied requests, under current law, to allow mini-bars and answered Sen. Tillotson's question that it would be very difficult to enforce the law regarding mini-bars. Sen. Jones offered the explanation that in other states where mini-bars are legal, the hotel gives you a key, and that is the protection to eliminate drinking by minors. Dave Schneider gave testimony (Attachment 3) opposing the bill.

Jack Jones explained a proposal (Attachment 4) containing several changes to the Kansas Animal Dealers Act. Sen. Hensley made a motion the committee introduce it as a bill; and it was seconded by Sen. Jones; the motion passed.

Sen. Ramirez explained a proposal (Attachment 5) amending the Parimutuel Racing Act and simulcast funds. Sen. Jones made a motion the committee sponsor it as a bill, and it was seconded by Sen. Hensley; and the motion passed.

Sen. Vidricksen explained Session of '86 HB 3009 (Attachment 6) relating to the Veterans' Commission and

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS, Room 254-E  
Statehouse, at 11:05 a.m. on February 22, 1993.

vital statistics. He explained that the Attorney General ruled this must be accomplished by statute rather than Rules and Regulations. Sen. Parkinson made a motion to sponsor the proposal, and it was seconded by Sen. Ramirez; the motion passed.

Sen. Oleen asked members of the committee to look over the Committee Minutes for January 26, 27 and 28. Sen. Gooch made a motion to approve the Minutes, and it was seconded by Sen. Papay; the motion passed.

Sen. Papay introduced pages from her district who are assisting at today's meeting.

Mary Torrence explained Proposed Substitute for SB 78, which was discussed in committee on February 18, 1993. Sen. Vidricksen made a motion to adopt the substitute bill and pass to the Senate favorably, and it was seconded by Sen. Papay; the motion passed.

There was no time for the Subcommittee to meet, so a time will be scheduled later for a Subcommittee meeting.

Meeting adjourned at 12:00.

GUEST LIST

COMMITTEE: Senate Federal & State Affairs

DATE: Feb. 22, 1993

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
Randall Scott		KCVA
Drville Johnson	P.O. Box 5191 Topeka	Family Action Network
Brian Naubem	Lawrence	Pat Huhell Assoc.
Rebecca Rin	Topeka	KRLDA
Jim Dorsey	Topeka	Famous Brands
Rah Ferguson	Overland Park	KRLDA
JACK S. JONES	KC KS	ANIMAL HEALTH
SHON KOENIG	JUNCTION CITY, KS	ANIMAL HEALTH
GREG BOUCHER	Augusta, KS	K.A.H.D.
Don Walker Own	Topeka	KAHD
Robert G. Day	Hoyle, KS	KHRC
Jim Hinkle	Topeka	Kansas for Life HSB best
Michael Dwyer	Topeka	KHRC
Brandon L. Myers	"	"
Dave Schneider	Topeka	KFLAIB
Robert Engler	Topeka	KDOR ABC
Jim Gray	Topeka	ABC
Neal Whitman	Topeka	KBSA
Betsy Rate	Lawrence	
JOHN C. BOTTENBERG	TOPEKA	KS WINE/SPIRITS WHOLESALERS
Ma L. Loh	Topeka	Hein Ebert & Koson
Laura Boggan	Topeka	Sen. Karris Intern.

SENATE FEDERAL AND STATE AFFAIRS COMMITTEE

AGENDA

MONDAY, FEBRUARY 22

SENATE BILL 322

PROPONENTS:

Richard B. Ferguson, Kansas Retail Liquor Dealers Assoc.

Tuck Duncan, Wine & Spirits Wholesalers Assoc.

OPPONENT:

Dave Schneider, Kansans for Life at Its Best

*Jim Conant, ABC, - Amendment*

Introduction - Animal Health Dept. - Registration of no-kill shelters

Action - Bills and Conferees

Subcommittee -

K · A · N · S · A · S

# WINE & SPIRITS

WHOLESALE ASSOCIATION, INC.

214 S.W. 7th Street  
Topeka, Kansas 66603  
(913) 233-9370

February 22, 1993

**TO: Senate Committee on Federal and State Affairs**

**From: R.E. "Tuck" Duncan and John Bottenberg**  
**Kansas Wine & Spirits Wholesalers Association**

**RE: Senate Bill 322**

The Kansas Wine and Spirits Wholesalers Association [KWSWA] supports Senate Bill 322. Very simply, this bill will allow the sale of the 50ml package in Kansas. Sales by wholesalers to retailers will be by "sleeve" [a unit generally containing 10 or 12 items, whereas a case contains 120 containers], and from retailers to their customers by the container.

**Why?** These specialty containers have multiple uses in the travel and hospitality industry; and most states do not restrict the sale of these containers. With the exception of items under 100 ml in size, regulation of containers has been responsibly regulated by the Director of the Alcoholic Beverage Control. The last modification of this statute thereby allowing 187ml wine containers did not create any adverse effects in the market, and met with wide consumer appeal.

**Hotels.** Many hotels across the country utilize the "mini-bar" in their rooms. They are stocked with a variety of beverages and food items. These supplement room service, and provide a traveler with an added convenience. The 50 ml container is necessary to effectively offer this feature.

**Airlines.** Kansas has an opportunity to develop a commercial airline business by restocking. Also, many private aircraft are serviced in Kansas and would be restocked with these items.

**Charters.** Bus charters that originate in Kansas, particularly those headed to Colorado, acquire these containers at the stores in Colorado. Here again is a market that exists, but Kansas is unable to meet the demand and thus loses sales and tax revenues.

The KWSWA respectfully requests your support for SB 322 to allow Kansas this specialty item beneficial to the travel and hospitality industry.

*Sen. F & S A.*  
*2-22-93*  
*att 1*

Attach. 2

# KANSAS RETAIL LIQUOR DEALERS ASSOCIATION INC.

400 SW CROIX  
TOPEKA, KS. 66611  
(913) 266-3963

RICHARD FERGUSON, JR.  
PRESIDENT

PATRICIA OPPITZ, 1st Vice-President  
AL BEISER, 2nd Vice-President  
JOAN KEMPF, Secretary-Treasurer

To: The Honorable Lana Oleen, Chairperson Senate Committee  
on Federal & State Affairs

From: Richard B. Ferguson, Jr. Pres. Kansas Retail Liquor  
Dealer Association, Inc.

Date: February 22, 1993

Subject: Senate Bill 322.

Thank you for the opportunity to appear before the committee today  
in support of Senate Bill 322.

The Kansas Retail Liquor Dealers Assn. is a respected dispensing  
agent of alcoholic liquors since 1949. We retail numbers of different  
brands and sizes.

Senate Bill 322 addresses another size, 50 ml. bottles, which is just  
liquor in a different container. Size should not be an issue when  
distributed by professionals within the industry.

We, therefore ask this committee to recommend passage of SB 322 to  
keep Kansas revenue within the boundaries of Kansas.

I would be happy to answer any questions the committee may have.

Cordially,

Richard B. Ferguson Jr.  
Pres. KRLDA.

Sen. F. & S. C.  
2-22-93  
Att 2

Testimony Before The Senate  
Federal and State Affairs Committee  
on SB 322

February 22, 1993

Dave Schneider  
Kansans For Life At Its Best

I must admit it was somewhat difficult to know how to approach this bill. It seems, at first glance, such an innocuous change. Just a small thing. And the language -- why, who could object to "sleeves"? We all experience the term every day in a friendly way when we get dressed in the morning.

There is an old adage though that applies to this bill: "Big things come in small packages" -- and that's what bothers me about this. This small and seemingly harmless bill carries with it the potential bring into play the law of unintended consequences in a way that would be quite undesirable.

Here's what I mean. This bill is about packaging and packaging is very significant. Think about some of the examples in the past 30 years where sales of a product have exploded because of changes in packaging. (Made possible in these cases by new technology.) The transistor radio, the Sony walkman, the personal computer and now the laptop version. In each case small was beautiful.

In this case the change in packaging will also result in expanded sales and markets. But small will not be beautiful. These small containers are going to increasingly show up in places that I don't think you want to see them.

Sen F & S A.  
2-22-93  
att 3

For example:

\*Junior highs and high schools. These small containers are perfect for smuggling in via backpacks. (Of course, the creative mind can imagine the eventual scenario -- kids having to arrive at school earlier than normal so that once they pass through the metal detectors that check for weapons they can then be frisked and have their backpacks checked for "sleeves".)

\*The workplace. Sleeves will be very convenient for employees with drinking problems. Imagine the potential effect on worker productivity.

\*Public events where alcohol is banned. These bans will be much easier to violate with sleeves.

Finally, some thought needs to be given to the effect this will have on drinking and driving. What effect will these travel convenient packages have on the drinking and driving habits of irresponsible drinkers? If it's possible the effect will be adverse, then this is a social experiment we ought not to undertake.



Attach. 4



**STATE OF KANSAS**  
**Animal Health Department**

To: Senator Lana Oleen and members of the Federal and State  
Affairs committee

From: Jack S. Jones  
Director. C.A.F.I.P.

Susan G. Stanley  
Special Assistant Attorney General

Date: February 18, 1993

Re: Legislation request for Animal Health Department

The Companion Animal Inspection Program of the Kansas Animal Health Department wishes to request the committee introduce a bill regarding several changes to the Kansas Animal Dealers Act contained at K.S.A. 47-1701 et seq. These changes would add the category of "no kill" shelters to those required to be registered with the Department. The request would also correct an omission regarding record keeping as it pertains to the category of Animal Dealers, allow the Department to issue closing permits to kennels that elect to cease business, inspect transportation vehicles used to move animals and add a definition of adequate veterinary care.

It is hoped that these are routine and practical changes that can be accomplished smoothly.

*Sen. F. & S. A.*  
*2-22-93*  
*Att 4*

SENATE BILL No. 380

By Committee on Federal and State Affairs

2-22

9 AN ACT amending the Kansas parimutuel racing act; concerning  
10 ~~disposition of certain moneys from simulcast races~~ *use of*  
11 *certain moneys*; amending K.S.A. 74-8829, 74-8831 and 74-8836  
12 and repealing the existing sections.  
13

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

15 Section 1. K.S.A. 74-8829 is hereby amended to read as follows:  
16 74-8829. (a) There is hereby created in the state treasury the Kansas  
17 horse breeding development fund to which moneys shall be credited  
18 as provided by this act. Expenditures from such fund shall be made  
19 in accordance with appropriation acts upon warrants of the director  
20 of accounts and reports issued pursuant to vouchers approved by  
21 the chairperson of the commission or a person designated by the  
22 chairperson.

23 (b) Moneys credited to the Kansas horse breeding development  
24 fund shall be apportioned into categories corresponding with the  
25 various breeds of horses which are participating in *live* races con-  
26 ducted *and simulcast races displayed* by organization licensees in  
27 direct proportion to each category's contribution to the fund and  
28 shall be used in each category to provide:

29 (1) Purse supplements to owners of Kansas-bred horses;

30 (2) stakes and awards to be paid to the owners of the winning  
31 Kansas-bred horses in certain races as determined by the commission;

32 (3) a stallion award to each owner of a Kansas-registered stallion  
33 which is the sire of a Kansas-bred horse if such horse wins or wins,  
34 places or shows in any race conducted at a Kansas race meeting,  
35 but no such award shall be paid to the owner of a Kansas stallion  
36 that served outside Kansas at any time during the calendar year in  
37 which the winning Kansas-bred horse was conceived;

38 (4) a breeder's award to each owner of a Kansas-registered mare  
39 which is the dam of a Kansas-bred horse if such horse wins or wins,  
40 places or shows in any race conducted at a Kansas race meeting;  
41 and

42 (5) moneys for equine research through institutions of higher  
43 education under the state board of regents.

*Sen. 7 & S.A.*  
*2-22-93*  
*Att 5*

1       (c) Moneys credited to the Kansas horse breeding development  
2 fund shall be used only for the benefit of the breed of horses which  
3 generates such moneys.

4       Sec. 2. K.S.A. 74-8831 is hereby amended to read as follows:  
5 74-8831. (a) There is hereby created in the state treasury the Kansas  
6 greyhound breeding development fund to which ~~money~~ moneys shall  
7 be credited as provided by this act. Expenditures from such fund  
8 shall be made in accordance with appropriation acts upon warrants  
9 of the director of accounts and reports issued pursuant to vouchers  
10 approved by the chairperson of the commission or a person desig-  
11 nated by the chairperson.

12       (b) Moneys credited to the fund shall be expended as follows:

13       (1) An amount equal to 15% of all moneys credited to the fund  
14 during a fiscal year shall be transferred by the director of accounts  
15 and reports on June 30 of each year to the greyhound tourism fund  
16 created by subsection (c);

17       (2) an amount equal to 35% of all moneys credited to the fund  
18 during a fiscal year shall be used for research conducted within the  
19 state of Kansas relating to the prevention of injury to and disease  
20 of greyhounds;

21       (3) an amount equal to 50% of all moneys credited to the fund  
22 during a fiscal year, less the amount determined by the commission  
23 pursuant to subsection (b)(4), shall be used by the racetrack facilities  
24 where derived to supplement stake races for Kansas-whelped grey-  
25 hounds as approved by the commission; and

26       (4) an amount determined by the commission, but not to exceed  
27 \$30,000 of the moneys credited to the fund during a fiscal year,  
28 shall be used to pay a portion of the administrative costs of the  
29 official registering agency designated by the commission pursuant to  
30 K.S.A. 74-8832 and amendments thereto.

31       (c) Moneys credited to the Kansas greyhound breeding devel-  
32 opment fund shall be used only for the benefit of greyhounds.

33       (d) There is hereby created in the state treasury the greyhound  
34 tourism fund. Moneys in such fund shall be used only for the pro-  
35 motion of greyhound-related tourism. Expenditures from such fund  
36 shall be made in accordance with appropriation acts upon warrants  
37 of the director of accounts and reports issued pursuant to vouchers  
38 approved by the secretary of commerce and housing or a person  
39 designated by the secretary.

40       Sec. 2 3. K.S.A. 74-8836 is hereby amended to read as follows:  
41 74-8836. (a) Any organization licensee that conducts at least 150 days  
42 of live racing during a calendar year or a county fair association that  
43 conducts fewer than 22 days of live racing during a calendar year

1 may apply to the commission for a simulcasting license to display  
2 simulcast horse or greyhound races and to conduct intertrack pari-  
3 mutuel wagering thereon. If the organization licensee conducts races  
4 at a racetrack facility that is owned by a facility owner licensee, both  
5 licensees shall join in the application. A simulcasting license granted  
6 to a county fair association that conducts fewer than 22 days of live  
7 racing shall restrict the county fair association's display of simulcast  
8 races to a number of days, including days on which it conducts live  
9 horse races, equal to not more than twice the number of days on  
10 which it conducts live races.

11 (b) (1) A simulcasting license granted to an organization licensee  
12 other than a county fair association shall authorize the display of  
13 simulcast races at the racetrack facility where the live races are  
14 conducted. If a simulcasting licensee conducts live horse races on a  
15 day when simulcast races are displayed by the licensee and the  
16 licensee conducts fewer than 10 live horse races on such day, not  
17 less than 80% of the races on which wagers are taken by the licensee  
18 during such day shall be live races conducted by the licensee. If a  
19 simulcast licensee conducts live greyhound races on a day when  
20 simulcast races are displayed by the licensee and the licensee con-  
21 ducts fewer than 13 live greyhound races during a performance on  
22 such day, not less than 80% of the races on which wagers are taken  
23 by the licensee during such performance shall be live races conducted  
24 by the licensee.

25 (2) A simulcasting license granted to a county fair association shall  
26 authorize the display of simulcast races at the racetrack facility where  
27 the races are conducted only if live races are scheduled for two or  
28 more days of the same calendar week, except that the licensee may  
29 conduct simulcast races in the week immediately before and im-  
30 mediately after a live meeting if the total number of days on which  
31 simulcast races are displayed does not exceed the total authorized  
32 in subsection (a). In no case shall the live meet or simulcast races  
33 allowed under this subsection exceed nine consecutive weeks. For  
34 purposes of this subsection, a calendar week shall be measured from  
35 Monday through the following Sunday.

36 (3) Notwithstanding the provisions of subsection (a), (b)(1) or  
37 (b)(2), a county fair association may apply to the commission for not  
38 more than five additional days of simulcasting of special events. In  
39 addition, the commission may authorize a county fair association to  
40 display additional simulcast races but, if such county fair association  
41 is less than 100 miles from an organization licensee that is not a  
42 county fair association, it must also secure written consent from that  
43 organization licensee.

1 (4) Notwithstanding the provisions of subsection (b)(1), if an  
2 emergency causes the cancellation of all or any live races scheduled  
3 for a day or performance by a simulcasting licensee, the commission  
4 or the commission's designee may authorize the licensee to display  
5 any simulcast races previously scheduled for such day or  
6 performance.

7 (5) Notwithstanding the provisions of subsection (b)(1), the com-  
8 mission may authorize the licensee to display simulcast special racing  
9 events as designated by the commission.

10 (c) The application for a simulcasting license shall be filed with  
11 the commission at a time and place prescribed by rules and regu-  
12 lations of the commission. The application shall be in a form and  
13 include such information as the commission prescribes.

14 (d) To qualify for a simulcasting license the applicant shall:

15 (1) Comply with the interstate horse racing act of 1978 (15 U.S.C.  
16 3001 *et seq.*) as in effect December 31, 1991;

17 (2) submit with the application a written approval of the proposed  
18 simulcasting schedule signed by: (A) The recognized horsemen's  
19 group for the track, if the applicant is licensed to conduct only horse  
20 races; (B) the recognized greyhound owners' group, if the applicant  
21 is licensed to conduct only greyhound races and only greyhound  
22 races are to be simulcast; (C) both the recognized greyhound owners'  
23 group and a recognized horsemen's group, if the applicant is licensed  
24 to conduct only greyhound races and horse races are to be simulcast;  
25 (D) the recognized greyhound owners' group, if the applicant is  
26 licensed to conduct both greyhound and horse races, only greyhound  
27 races are to be simulcast and races are to be simulcast only while  
28 the applicant is conducting live greyhound races; (E) the recognized  
29 horsemen's group for the track, if the applicant is licensed to conduct  
30 both greyhound and horse races, only horse races are to be simulcast  
31 and races are to be simulcast only while the applicant is conducting  
32 live horse races; or (F) both the recognized greyhound owners' group  
33 and the recognized horsemen's group for the track, if the applicant  
34 is licensed to conduct both greyhound races and horse races and  
35 horse races are to be simulcast while the applicant is conducting  
36 live greyhound races or greyhound races are to be simulcast while  
37 the applicant is conducting live horse races; and

38 (3) submit, in accordance with rules and regulations of the com-  
39 mission and before the simulcasting of a race, a written copy of each  
40 contract or agreement which the applicant proposes to enter into  
41 with regard to such race, and any proposed modification of any such  
42 contract or agreement.

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

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

(g) Except as provided by subsection (j), the takeout for simulcast horse and greyhound races shall be the same as it is for the live horse and greyhound races conducted during the current or next live race meeting at the racetrack facility where the simulcast races are displayed. For simulcast races the tax imposed on amounts wagered shall be as provided by K.S.A. 74-8823 and amendments thereto. The simulcasting licensee shall be entitled to retain sufficient revenue to pay expenses directly related to the simulcast race or performance. 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:

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

(2) for purses for horse races conducted by the licensee, if the simulcast race is a horse race and the licensee conducts only live horse races;

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

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

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

(1) If a simulcasting licensee has a license to conduct live horse races and the licensee displays a simulcast horse race, breakage and unclaimed winning ticket proceeds shall be distributed in the manner provided by K.S.A. 74-8821 and 74-8822, and amendments thereto, for breakage and unclaimed winning ticket proceeds ~~from live horse races~~ *and shall be apportioned into categories corresponding with the various breeds of horses participating in simulcast races displayed by the licensee.*

1 (2) If a simulcasting licensee has a license to conduct live grey-  
2 hound races and the licensee displays a simulcast greyhound race,  
3 breakage and unclaimed winning ticket proceeds shall be distributed  
4 in the manner provided by K.S.A. 74-8821 and 74-8822, and amend-  
5 ments thereto, for breakage and unclaimed winning ticket proceeds  
6 from live greyhound races.

7 (3) If a simulcasting licensee has a license to conduct live racing  
8 of only horses and the licensee displays a simulcast greyhound race,  
9 unclaimed winning ticket proceeds shall be distributed in the manner  
10 provided by K.S.A. 74-8822, and amendments thereto, for unclaimed  
11 winning ticket proceeds from live greyhound races. Breakage for  
12 such races shall be distributed for use to benefit greyhound racing  
13 as determined by the commission.

14 (4) If a simulcasting licensee has a license to conduct live racing  
15 of only greyhounds and the licensee displays a simulcast horse race,  
16 breakage and unclaimed winning ticket proceeds shall be distributed  
17 in the manner provided by K.S.A. 74-8821 and 74-8822, and amend-  
18 ments thereto, for breakage and unclaimed winning ticket proceeds  
19 ~~from live horse races~~ and shall be apportioned into categories  
20 corresponding with the various breeds of horses participating in  
21 simulcast races displayed by the licensee.

22 (i) The commission may approve a request by two or more si-  
23 mulcasting licensees to combine wagering pools within the state of  
24 Kansas pursuant to rules and regulations adopted by the commission.

25 (j) (1) The commission may authorize any simulcasting licensee  
26 to participate in an interstate combined wagering pool with one or  
27 more other racing jurisdictions.

28 (2) If a licensee participates in an interstate pool, the licensee  
29 may adopt the takeout of the host jurisdiction or facility, except that  
30 the takeout shall not be more than 20% on win, place and show  
31 bets and not more than 25% on all other bets. The amount and  
32 manner of paying purses from the takeout in an interstate pool shall  
33 be as provided by subsection (g).

34 (3) The tax imposed on amounts wagered in an interstate pool  
35 shall be as provided by K.S.A. 74-8823 and amendments thereto.  
36 Parimutuel taxes may not be imposed on any amounts wagered in  
37 an interstate combined wagering pool other than amounts wagered  
38 within this jurisdiction.

39 (4) Breakage for interstate combined wagering pools shall be cal-  
40 culated in accordance with the statutes and rules and regulations of  
41 the host jurisdiction and shall be allocated among the participating  
42 jurisdictions in a manner agreed to among the jurisdictions. Breakage  
43 allocated to this jurisdiction shall be distributed as provided by sub-

1 section (h).

2 (5) Upon approval of the respective recognized greyhound own-  
3 ers' group or recognized horsemen's group, the commission may  
4 permit an organization licensee to simulcast to other racetrack fa-  
5 cilities or off-track wagering or intertrack wagering facilities in other  
6 jurisdictions one or more races conducted by such licensee, use one  
7 or more races conducted by such licensee for an intrastate combined  
8 wagering pool or use one or more races conducted by such licensee  
9 for an interstate combined wagering pool at off-track wagering or  
10 intertrack wagering locations outside the commission's jurisdiction  
11 and may allow parimutuel pools in other jurisdictions to be combined  
12 with parimutuel pools in the commission's jurisdiction for the purpose  
13 of establishing an interstate combined wagering pool.

14 (6) The participation by a simulcasting licensee in a combined  
15 interstate wagering pool does not cause that licensee to be considered  
16 to be doing business in any jurisdiction other than the jurisdiction  
17 which the licensee is physically located.

18 (k) This section shall be part of and supplemental to the Kansas  
19 parimutuel racing act.

20 Sec. 3 4. K.S.A. 74-8829, 74-8831 and 74-8836 are hereby  
21 repealed.

22 Sec. 4 5. This act shall take effect and be in force from and after  
23 its publication in the statute book.



HOUSE BILL No. 3009

By Committee on Federal and State Affairs

2-18

0017 AN ACT concerning vital statistics records; exempting certain  
0018 persons from certain fees relating thereto; amending K.S.A.  
0019 65-2418 and repealing the existing section.

0020 *Be it enacted by the Legislature of the State of Kansas:*

0021 Section 1. K.S.A. 65-2418 is hereby amended to read as fol-  
0022 lows: 65-2418. (a) The secretary of health and environment shall  
0023 fix and charge the fees, if any, to be paid for certified copies of  
0024 certificates or for search of the files or records when no certified  
0025 copy is made. Fees for certified copies of certificates shall be  
0026 fixed by rules and regulations of the secretary of health and  
0027 environment. The secretary of health and environment shall not  
0028 charge any fee for a certified copy of a certificate or for a search  
0029 of the files or records if the certificate or search is requested by  
0030 a person who exhibits correspondence from the United States  
0031 veterans administration or the Kansas veterans' commission  
0032 which indicates that the person is applying for benefits from the  
0033 United States veterans administration and that such person  
0034 needs the requested information to obtain such benefits, except  
0035 that, for a second or subsequent certified copy of a certificate or  
0036 search of the files requested by the person, the usual fee shall be  
0037 charged. The secretary may provide by rules and regulations for  
0038 other exemptions from such fees.

0039 (b) Subject to K.S.A. 65-2420 and amendments thereto, the  
0040 national office of vital statistics may be furnished copies or data it  
0041 requires for national statistics. The state shall be reimbursed for  
0042 the cost of furnishing the data. The data shall not be used for  
0043 other than statistical purposes by the national office of vital  
0044 statistics unless so authorized by the state registrar of vital  
0045 statistics.

Kansas  
Commission  
on  
Veterans'  
Affairs

Sen Fx SA.  
2-22-93  
att 6

0046 (c) The secretary of health and environment shall remit all  
0047 moneys received by or for the secretary from fees, charges or  
0048 penalties to the state treasurer at least monthly. Upon receipt of  
0049 any such remittance the state treasurer shall deposit the entire  
0050 amount thereof in the state treasury and the same shall be  
0051 credited to the state general fund. On July 1, 1983, the director of  
0052 accounts and reports shall transfer all moneys in the vital statis-  
0053 tics fee fund to the state general fund. All liabilities of the vital  
0054 statistics fee fund are hereby transferred to and imposed upon  
0055 the state general fund. The vital statistics fee fund is hereby  
0056 abolished.

0057 Sec. 2. K.S.A. 65-2418 is hereby repealed.

0058 Sec. 3. This act shall take effect and be in force from and  
0059 after its publication in the statute book.

Attach 3

MEMORANDUM

In Substitute for SB 78, the tax on pari-mutuel wagering would be collected using a staggered system similar to those in Iowa and Texas.

For Wichita Greyhound Park and the new Greyhound Park in Pittsburg, the tax rate would be 3/18 for the first \$400,000.00 wagered per live event, 4/18 for the next \$200,000.00 wagered and 5/18 for any amount exceeding \$600,000.00 wagered.

The tax for the Woodlands, which is a dual facility, would be 3/18 for the first \$600,000.00 wagered per live performance, 4/18 for the next \$200,000.00 wagered and 5/18 for any amounts wagered exceeding \$800,000.00 per live event.

The Woodlands, because it is a dual facility, it's tax increase would not take affect for three years, while the new system would commence with Wichita Greyhound Park in September 1993.

One of the points not made during testimony on SB 78 was that the Kansas Racing Commission has extended the race days for Greyhound Racing at the Woodlands to be year-round and run concurrent with the horse racing dates. With this expansion of racing dates and the building of the new track in Pittsburg, the revenue flow to the state of Kansas should remain constant or, in fact, may increase. This increase is hard to predict because of the down-trend in handles presently facing the Kansas pari-mutuel industry.

Substitute for SB 78 represents a compromise with Kansans-for-life-at-its-best. Mr. Tim Shultz, when testifying before the Senate Federal and State Affairs Committee on January 28, 1993, said "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 the daily amounts wagered. ...I would suggest the tax level be 3/18 for the first \$500,000.00 daily totals; 4/18 for a daily handle from \$500,000.00 to \$1 million; and a 5/18 for anything over \$1 million. These figures could be decided by the committee with the race tracks

Sen. 7 & SA  
2-22-93  
Att 7

Senator Ben Vidricksen  
February 4, 1993  
Page 2

input. This would allow the committee to make an appropriate tax structure while providing some relief to the race tracks assuming true the contention that pari-mutuel gambling is declining."

The pari-mutuel industry has accepted Mr. Shultz's recommended amendment by modifying the legislation and lowering the threshold numbers on the smaller tracks, i.e. Pittsburg and Wichita, and raising the threshold on the larger track at the Woodlands.

**1988 Forecasted Revenues for  
Wichita Greyhound Park \***

**Actual Revenues of  
Wichita Greyhound Park**

1989	\$ 48,056,695	\$25,104,320
1990	\$ 91,294,616	\$74,280,861
1991	\$102,124,983	\$77,231,268
1992	\$106,245,275	\$69,645,371

**\* Kansas Racing Commission**

The forecasts were examined in 1988 by Grant Thornton Accountants Management Consultants using guidelines established by the American Institute of Certified Public Accountants.

## PROPOSED Substitute for SENATE BILL NO. 78

By xx

AN ACT amending the Kansas parimutuel racing act; relating to the tax on amounts wagered; amending K.S.A. 74-8823 and repealing the existing section; also repealing K.S.A. 74-8823a.

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

Section 1. K.S.A. 74-8823 is hereby amended to read as follows: 74-8823. (a) There is hereby imposed a tax on the gross sum wagered by the parimutuel method as follows:

(1) Of the total daily takeout from parimutuel pools for live horse races conducted in this state, a tax at the rate of  $\frac{3}{18}$ ;

(2) except as provided by subsection (a)(3), ~~of--the--total daily--takeout--from--parimutuel--pools~~ for live greyhound races conducted in this state at a racetrack facility for the racing of only greyhounds, ~~a tax at the rate of:--(A)-- $\frac{3}{18}$ : (A) During the first four years when racing with parimutuel wagering is conducted at such facility;--(B)-- $\frac{4}{18}$  during the fifth--year--when racing--with--parimutuel--wagering-is-conducted-at-such-facility; and--(C)-- $\frac{5}{18}$  during the sixth-and-any-subsequent-year-when-racing with-parimutuel-wagering-is-conducted-at-such-facility,~~ a tax at the rate of  $\frac{3}{18}$  of the total daily takeout from parimutuel pools for live greyhound races; and (B) thereafter, from parimutuel pools for each live greyhound performance, a tax at the rate of  $\frac{3}{18}$  of the first \$400,000 wagered,  $\frac{4}{18}$  of the next \$200,000 wagered and  $\frac{5}{18}$  of any amounts wagered exceeding \$600,000;

(3) ~~of-the-total-daily-takeout--from--parimutuel--pools~~ for live greyhound races conducted in this state at a dual racetrack facility or at a racetrack facility owned by a licensee whose license authorizes the construction of a dual racetrack facility;

~~a--tax-at-the-rate-of--(A)-3/18:~~ (A) During the first seven years when racing with parimutuel wagering is conducted at such facility;~~;(B)-4/18-during-the-eighth-and-ninth-years-when--racing with--parimutuel--wagering-is-conducted-at-such-facility;--and--(C)-5/18-during-the-tenth-and-any-subsequent-year--when--racing--with parimutuel--wagering--is-conducted-at-such-facility,~~ a tax at the rate of 3/18 of the total daily takeout from parimutuel pools for live greyhound races; and (B) thereafter, from parimutuel pools for each live greyhound performance, a tax at the rate of 3/18 of the first \$600,000 wagered, 4/18 of the next \$200,000 wagered and 5/18 of any amounts wagered exceeding \$800,000; and

(4) of the total daily takeout from amounts wagered in this jurisdiction on simulcast races displayed in this state, a tax at the rate of 3/18.

(b) The tax imposed by this section shall be no less than 3% nor more than 6% of the total money wagered each day at a racetrack facility.

(c) The tax imposed by this section shall be remitted to the commission by each organization licensee by the next business day following the day on which the wagers took place. The commission shall promptly remit any such tax moneys received to the state treasurer, who shall deposit the entire amount in the state treasury and, except as provided by K.S.A. 74-8838 and amendments thereto, credit it to the state racing fund created by K.S.A. 74-8826 and amendments thereto.

(d) The commission shall audit and verify that the amount of tax received from each organization licensee hereunder is correct.

Sec. 2. K.S.A. 74-8823 and 74-8823a are hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.