

Approved: 2-1-94  
Date

## MINUTES OF THE HOUSE COMMITTEE ON FEDERAL AND STATE AFFAIRS.

The meeting was called to order by Chairperson Clyde Graeber at 1:30 p.m. on January 20, 1994 in Room 526-S of the Capitol.

All members were present except:

Committee staff present: Mary Galligan, Legislative Research Department  
Lynne Holt, Legislative Research Department  
Mary Ann Torrence, Revisor of Statutes  
June Evans, Committee Secretary

Conferees appearing before the committee: Karen Tolle, Executive Secretary, KQHRA  
Jim Yount, KQHRA  
William M. Henry, Kansas Thoroughbred Association

Others attending: See attached list

The Chairperson stated hearings were held yesterday, January 19th, on SB 380 and proponents were heard. There was a proposal made by a conferee yesterday as a proponent of the bill and asked if the proponent had a report.

William Henry stated at your request, members of the Kansas Quarter Horse Racing Association were contacted and told them the Kansas Thoroughbred Association would meet with them any time at any place. Ms. Janet Chubb, Kansas Racing Commission, was contacted and she also said that she would be willing to meet.

Karen Tolle, Executive Secretary, Kansas Quarter Horse Racing Association, stated that yesterday was the first they had heard of this proposal and they are not in a position to respond. Response to this would need action of the full Board of Directors and there was not time for that. Ms. Tolle stated SB 380 would be devastating through the elimination of the Kansas Bred program for all breeds of horses other than thoroughbred horses. When the quarter horse industry supported simulcast legislation it was with the understanding that all breeds would benefit. (See Attachment #1)

Jim Yount, Kansas Quarter Horse Racing Association, stated it was their feeling that simulcasting was economic development to the state and urges the committee report the bill adversely and start over. (See Attachment #2).

The Chairperson asked if there were any other opponents to SB 380, there being none, the hearings were closed.

Representative Cox moved and Representative Lane seconded there was not time for a response and due to the lawsuit, that hearings be closed and be delayed until the lawsuit is settled; there be no final action, but delay until there is a court decision.

It was asked for clarification of the lawsuit.

The Chairperson stated the basis of the lawsuit was brought by the Thoroughbred people challenging the proposed distribution of the simulcast moneys according to the Attorney General's Opinion. It is in the District Court and that decision should be forthcoming within the next ten days at the very latest.

Representative Plummer stated he is unwilling to wait and see what the District Court says, it will probably be appealed. This legislation stands on its own.

Representative Sebelius moved and Representative Rock seconded a substitute motion to report SB 380 out of

committee adversely. The motion carried.

Representative Plummer requested to be recorded as voting "yes".

The meeting adjourned at 2:15 PM.

The Chairperson stated that next week there would be hearings on HB 2578. The next meeting will be January 25, 1994.

Date: 1/20/94

## FEDERAL and STATE AFFAIRS COMMITTEE

NAME	ORGANIZATION	ADDRESS
Scott R. Ly	KQHRA	Derby
Jim & Sonia Yount	K.P.H.R.A	Valley Falls
Karen S. Tolle	KQHRA	Overland Park, Ks
David Breitstein	KQHRA	CRATHE, KS
Sharon Guy	KQHRA	Derby, Ks.
Jerry M. Guy	KQHRA	Derby Ks
William H. Hay	KQHRA KHBPA	Ottawa, Ks
Russ Frey	KUMA	Topeka
Janet A. Chubb	KRC	Topeka
Frances Snel	KRC	Topeka
Kenneth G. Harjo	KRC	Topeka
Joanne Johnson	KRC	Topeka
Pat Habbell	WGP	Topeka

# The Kansas Quarter Horse Racing Association

P.O. Box 26272 • Shawnee Mission, KS 66225-6272 • 913/681-1984 • FAX 913/681-1994

DATE: January 20, 1994

RE: SENATE BILL 380

Chairman Graeber and members of the House Federal and State Affairs Committee. My name is Karen Tolle, Executive Secretary for the Kansas Quarter Horse Racing Association. The Kansas Quarter Horse Racing Association is a non profit membership organization with approximately 782 members. Many of our members not only own quarters horses but also thoroughbred horses. I am here today on behalf of the Kansas Quarter Horse Racing Association and its members in opposition to Senate Bill 380.

The Kansas Quarter Racing Association would not be here if this issue was not one that was going to be devastating through the elimination of the Kansas Bred program for all breeds of horses other than thoroughbred horses. We do not believe that it was the intent of the Kansas legislature to support a program in Kansas for only one breed. When the quarter horse industry supported simulcast legislation, it was with the understanding that all breeds would benefit.

The quarter horse industry is a very significant part of the horse industry in Kansas. According to the American Quarter Horse Association survey, Kansas ranks 5th in the nation with 94,914 quarter horses registered of which approximately 14,000 are race bred quarter horses. This survey indicates that there is a \$90 million dollar investment in quarter horse racing today. The question was asked yesterday about the number of race tracks presently racing a mixed quarter horse and thoroughbred meet. I contacted the American Quarter Horse Association who informed me yesterday that there were 109 race tracks presently running mixed meets.

Senate Bill 380 speaks to a change in the distribution of breakage and unclaimed monies available through simulcast legislation for the Kansas Breeders Development Fund. This fund was set up by the Kansas legislature to provide incentives for Kansas horsemen to race and breed horses in Kansas. From the information that you received yesterday the funds available from simulcast for the Kansas Breeders Development Fund at this time is \$514,305. If Senate Bill 380 was to pass approximately 99 % or (\$509,161) of this amount would be distributed to thoroughbred horses and 1 % or (\$5,143) would go to quarter horses and all other breeds participating in the Kansas bred program.

It is obvious that if Senate Bill 380 passes, there would be no incentive for other breeds to register to participate in the Kansas bred program and race and breed horses in Kansas.

The Kansas Horsemen's Association records indicate that as of December 31, 1993 there were approximately 50% thoroughbred horses, 49% quarter horses and 1% other breeds registered in the Kansas Bred program. Senate Bill 380 provides almost no funding to support 50% of the horses registered in the Kansas bred program.

**Albert Hogoboom**  
PRESIDENT, KQHRA

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**Karen Tolle**  
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P.O. Box 26272, Shawnee Mission, KS 66225-6272  
(913) 681-1984 FAX (913) 681-1994

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1/20/94  
Atch #1



Due to the lawsuit by Orion Stables and other TB owners against the Kansas Racing Commission, the simulcast revenues for the Kansas Bred Program has been held up in 1993. Due to this situation, only one Kansas bred race for quarter horses has been paid to those owners of Kansas bred horses earning the incentive awards. The Kansas bred program cannot be supported by only the live racing fund. The simulcast revenues are needed to supplement the Kansas bred program for all Kansas registered horses.

Kansas needs to promote the economic development of all breeds of horses by providing the incentives needed through the law as it presently stands which would base the distribution on live racing, with an approximate 70% to 30% distribution as discussed yesterday.

Senate Bill 380 would distribute the revenues approximately 99% to 1% and will eliminate all breeds of horses other than thoroughbred horses from the Kansas bred program and defeat the purpose of the Kansas Breeders Development Fund.

The Kansas Attorney General has ruled that the law reads as follows: The distribution of the breed fund monies are to be distributed based on live racing and that horses participating in simulcast races will not be considered in determining the categories to be created under K.S.A. 74-8829 (b) and should not be considered when allocating breakage proceeds. The law as it presently reads would also provide for revenues for other breeds of horses participating in live races in Kansas.

We ask that the committee vote NO on Senate Bill 380 to preserve the Kansas Bred program and the economic incentives it provides the horsemen of Kansas regardless of the breed of horse that they race or breed. IF the intent of simulcast legislation was to provide incentives for the racing and breeding of only one breed of horse in the Kansas, the Kansas Quarter Horse Racing Association would not have supported simulcast legislation.

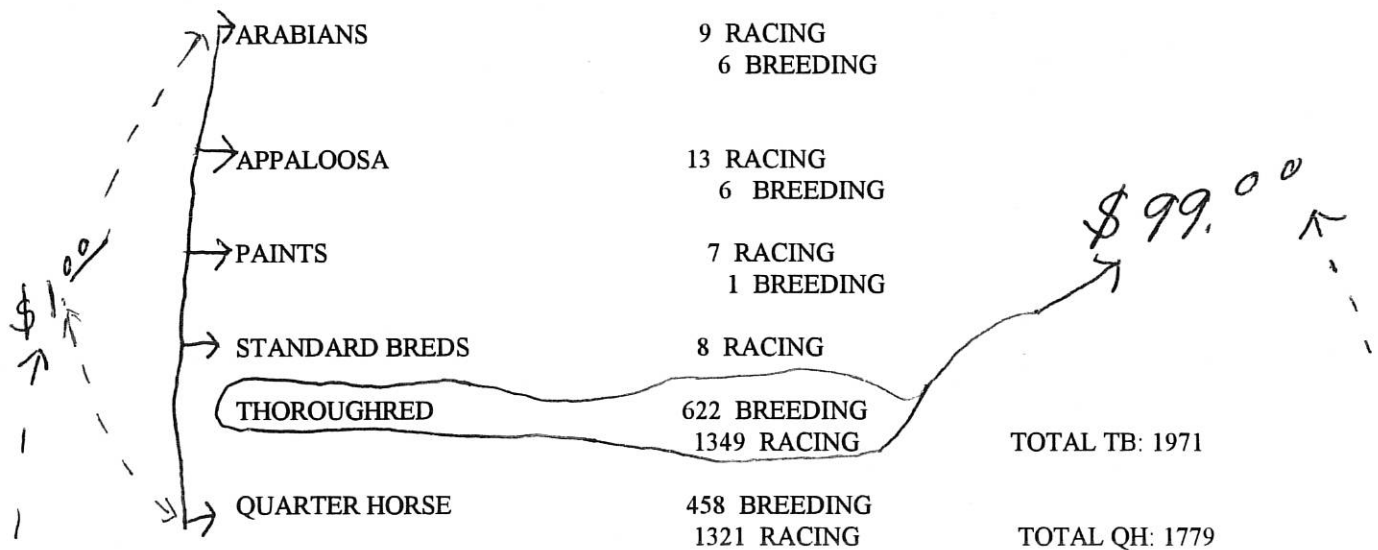
I would like to thank the committee for their time in addressing this issue and would be happy to answer any questions that you might have.

Karen Tolle  
Executive Secretary  
Kansas Quarter Horse Racing Assoc.

for House Federal & State Affairs Comm.  
January 20<sup>th</sup> 1984

Fi 7-  
Kansas Quarter Horse Rac. & Assoc.  
Jim Yount

TOTAL HORSES IN KANSAS BRED PROGRAM 12/31/93



TOTAL 3800 HORSES REGISTERED AS KANSAS BRED TO RECEIVE PURSE SUPPLEMENTS AND BREED AWARDS FROM THE KANSAS BREEDERS DEVELOPMENT FUND.

Simulcast Fund Balance June 30<sup>th</sup> = \$514,305.48

S.B. 380 Provides for each \$100.00

\$100.00