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MEMORANDUM

To: Chairperson Thompson
Members of the House Committee on Federal and State Affairs

From: The Office of Revisor of Statutes

Date: February 17, 2025

Subject: SB 260 – Amending the Kansas parimutuel racing act regarding qualifications for an organization license, the definition of horsemen's associations and horsemen's nonprofit organizations and the distribution of certain tax revenues..

Senate Bill No. 260 (SB 260) makes various amendments to the Kansas Parimutuel Racing Act (Act), which governs horse and greyhound racing in Kansas along with simulcasting of such races.

Section 1 of the bill redefines “horsemen’s association” and “horsemen’s nonprofit organization.” Currently, both definitions involve the named entities owning or operating racetracks located at Eureka Downs, Anthony Downs, or on or adjacent to property that is used by a fair association for fair activities. SB 260 would remove these location restrictions from the definitions. With the amendment, both horsemen’s associations and horsemen’s nonprofit organizations would be able to obtain licenses for racetrack facilities located anywhere in the state.

Section 2 changes the requirements for obtaining an organization license. An organization license is required to conduct races under the Act. Under current law, any fair association, horsemen’s nonprofit organization, or the National Greyhound Association of Abilene, Kansas may apply for a license if the organization conducts not more than two race meetings a year, holds its race meetings within the same county where the organization is located, and holds race meetings for not more than 40 days in a year. SB 260 would remove the same county requirement. The bill would also require any fair association that wanted to conduct live horse racing to be approved by the Kansas Quarter Horse Racing Association and the

Kansas Thoroughbred Association, or by a horsemen's nonprofit organization. The bill would further prohibit any horsemen's nonprofit organization from conducting live horse racing until March 1, 2028, unless such races were held at Eureka Downs.

Section 3 changes the distribution of moneys from the State Racing Fund. The State Racing Fund receives all moneys from wagering and admissions taxes, application and license fees, and all fines collected under the Act. SB 260 directs that 30% of the tax revenues from historical horse race machines is to be transferred to the Kansas Horse Breeding Development Fund, and 70% of such revenues are to be transferred to the Horse Fair Racing Benefit Fund.

Section 4 changes the distribution of moneys from the Kansas Horse Breeding Development Fund. Currently, moneys in the fund are distributed for:

- Purse supplements to owners of Kansas-bred horses;
- Stakes and awards paid to owners of winning Kansas-bred horses;
- A stallion award to owners of Kansas-registered stallions that sire Kansas-bred horses that win, place, or show at Kansas race meetings;
- A breeder's award to owners of Kansas-registered mares that are the dam of Kansas-bred horses that win, place, or show at Kansas race meetings; and
- Equine research.

Under SB 260, the stallion and breeder's awards would be opened up to owners of stallions and mares of Kansas-bred horses that finished in recognized parimutuel races at certain levels as determined by the Kansas Racing and Gaming Commission. The amendment grants the Commission more discretion with respect to the awards.

Section 5 changes the distribution of moneys from the Horse Fair Racing Benefit Fund. Currently, moneys in the fund can be used for:

- Capital improvements to racetrack facilities;
- Reimbursement of various costs associates with regulating and conducting races;
- Purse supplements for certain race meetings; and
- Basic operating assistance grants for organization licensees.

Under SB 260, 15% of such moneys would be used for the promotion of the parimutuel racing industry in Kansas by horsemen's nonprofit organizations. Moneys in the fund could also be used to pay for the costs related to any lease agreement for land, equipment, or other materials necessary for conducting race meetings.

If enacted, SB 260 would become effective on July 1, 2025.