

ARTICLE 3 – APPLICATION PROCEDURE

112-3-1. Application procedure for organization applicant. (a) Any qualified nonprofit organization as defined by K.S.A. 1987 Supp. 74-8802 (m) may apply to the commission for an organization license to conduct horse races or greyhound races, or both, on which parimutuel wagering is permitted.

(b) Each application shall be completed upon a form provided by the commission. The completed form shall accompany the application or applications of a facility owner applicant, a facility manager applicant, or both, with whom the organization applicant has contracted or proposes to contract concerning the racetrack facility.

(c) Each application and any attached documents required by these regulations shall be submitted as a single package. An original and six copies of the application and documents shall be filed with the executive director at the commission offices. One additional copy shall be mailed to each commissioner at the address on file at the commission office. Each application shall be verified under oath by the authorized officer or officers of the applicant, and all copies shall be manually signed in ink.

(d) Applications shall be filed with the commission not later than 120 calendar days prior to the first performance of the race meet the applicant proposes to conduct.

(e) Each license shall be granted upon the condition that the holder and each of its officers, directors, employees and agents shall accept, observe and enforce the regulations of the commission.

(f) If the applicant proposes to construct or own a racetrack facility, a deposit as required by K.S.A. 1987 Supp. 74-8813 (b) shall be paid in addition to the application fee and submitted with the application. The fee and deposit shall be paid in the form of a certified check or bank draft. Each applicant that is granted an organization license shall pay a license fee as provided by K.S.A. 1987 Supp. 74-8813 (g) in the form of a certified check or bank draft that

shall be paid to the executive director within 60 days after the granting of applicant's license.

(g) This regulation shall take effect on and after October 1, 1988. (Authorized by K.S.A. 1987 Supp. 74-8804; implementing K.S.A. 1987 Supp. 74-8813; effective, T-89-6, Jan. 21, 1988; effective Oct. 1, 1988.)

112-3-2. Application form for organization applicant. (a) Each application for an organization license shall contain the following:

(1) The name of the applicant, the business address and telephone number or numbers;

(2) the name, address and telephone number of any individual who assisted the applicant in preparing its application along with a precise description of the application section for which the individual provided assistance;

(3) irrevocable affidavit and consent statements; information waivers; affidavits relating to substance addiction; waivers of claims for damages for adverse public notice, embarrassment, criticism or other circumstance including financial loss that may result from commission action on the application; and personal background disclosure forms from all officers, directors, employees and agents of the applicant;

(4) one copy of each contract and agreement that the applicant has executed or proposes to execute and any modification or proposed modification of each contract or agreement. If the contract or agreement is an oral one, a written statement explaining the substance of the oral agreement shall be included;

(5) the names and addresses of the parties to each contract or agreement identified in subsection (4) and any relationship of the parties to the applicant, the partners, associates, officers, directors and principal

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owners either through family, business association or other control.

(b) The application for a license to conduct horse racing or greyhound racing, or both, with parimutuel wagering and to construct or own a racetrack facility, or both, and to manage a racetrack facility shall contain verified responses to inquiries about the following in the order they appear below:

(1) Corporate structure and control of applicant information required by K.A.R. 112-3-7;

(2) site and physical plant information required by K.A.R. 112-3-9;

(3) financing and development information required by K.A.R. 112-3-10;

(4) racing operation and parimutuel wagering information required by K.A.R. 112-3-11;

(5) management of racetrack facility information required by K.A.R. 112-3-12;

(6) economic, demographic and other information required by K.A.R. 112-3-13; and

(7) public safety and security information required by K.A.R. 112-3-14.

(c) The application for a license to conduct horse racing or greyhound racing, or both, with parimutuel wagering and to construct or own a racetrack facility, or both, shall contain verified responses to inquiries in subsection (b)(1), (2), (3), (4) and (6).

(d) The application for a license to conduct horse racing or greyhound racing, or both, with parimutuel wagering and to manage a racetrack facility shall contain verified responses to inquiries in subsection (b)(1), (4), (5) and (7).

(e) The application for a license to conduct horse racing or greyhound racing, or both, with parimutuel wagering shall contain verified responses to inquiries in subsection (b)(1) and (4).

(f) Each exhibit, statement, report, paper or other document submitted in support of the application shall be current, accurate and complete. Any change shall be reported immediately to the commission during the period of application or licensure. At all times,

a current copy of the documents supporting the application shall be recorded in the commission office.

(g) This regulation shall take effect on and after October 1, 1988. (Authorized by K.S.A. 1987 Supp. 74-8804; implementing K.S.A. 1987 Supp. 74-8813; effective, T-89-6, Jan. 21, 1988; effective Oct. 1, 1988.)

112-3-3. Application procedure for facility owner applicant.

(a) A facility owner applicant as defined by K.S.A. 1987 Supp. 74-8815 (a) may apply to the commission to construct or own a racetrack facility, or both.

(b) Each application shall be completed upon a form provided by the commission. The completed form shall accompany the application of the organization licensee with whom the facility owner has contracted or proposes to contract concerning the racetrack facility.

(c) Each application and any attached documents required by these regulations shall be submitted as a single package. An original and six copies of the application and documents shall be filed with the executive director at the commission offices. One additional copy shall be mailed to each commissioner at the address on file at the commission office. Each application shall be verified under oath by the authorized officer or officers of the applicant, and all copies shall be manually signed in ink.

(d) Applications may be filed with the commission for 45 calendar days after the effective date of the commission's regulations.

(e) Each license shall be granted upon the condition that the holder and each of its officers, directors, employees and agents shall accept, observe and enforce the regulations of the commission.

(f) The application fee and the deposit required by K.S.A. 1987 Supp. 74-8815 (c), (d) shall be paid in the form of a certified check or bank draft and shall be submitted with the application form.

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(g) This regulation shall take effect on and after October 1, 1988. (Authorized by K.S.A. 1987 Supp. 74-8804; implementing K.S.A. 1987 Supp. 74-8815; effective, T-89-6, Jan. 21, 1988; effective Oct. 1, 1988.)

112-3-4. Application form for facility owner applicant. (a) Each application for a facility owner license shall contain the following information:

(1) The name of the applicant, the business address and telephone number or numbers;

(2) the name, address and telephone number of any individual who assisted the applicant in preparing its application along with a precise description of the application section for which the individual provided assistance;

(3) verified responses regarding the following subjects in the order they appear below:

(A) Business structure and control of applicant information required by K.A.R. 112-3-8;

(B) site and physical plant information required by K.A.R. 112-3-9;

(C) financing and development information required by K.A.R. 112-3-10; and

(D) economic, demographic and other information required by K.A.R. 112-3-13;

(4) irrevocable affidavit and consent statements; information waivers; affidavits relating to substance addiction; waivers of claims for damages for adverse public notice, embarrassment, criticism or other circumstance including financial loss that may result from commission action on the application; and personal background disclosure forms from all officers, directors, employees and agents of the applicant;

(5) copies of each contract and agreement that the applicant has executed or proposes to execute and any modification or proposed modification of each contract or agreement. If the contract or agreement is an oral one, a

written statement explaining the substance of the oral agreement shall be included; and

(6) the names and addresses of the parties to any contract or agreement identified in paragraph (5) and the relationship to the applicant, the partners, associates, officers, directors and principal owners either through family, business association or other control.

(b) Each exhibit, statement, report, paper or other document submitted in support of the application shall be current, accurate and complete. The applicant shall report immediately any change in information submitted to the commission during the period of application or licensure. At all times, a current copy of the documents supporting the application shall be recorded in the commission office.

(c) This regulation shall take effect on and after October 1, 1988. (Authorized by K.S.A. 1987 Supp. 74-8804; implementing K.S.A. 1987 Supp. 74-8815; effective, T-89-6, Jan. 21, 1988; effective Oct. 1, 1988.)

112-3-5. Application procedure for facility manager applicant. (a) A facility manager applicant as defined by K.S.A. 1987 Supp. 74-8815 (b) may apply to the commission for a license to manage a racetrack facility.

(b) Each application shall be completed upon a form provided by the commission. The completed form shall accompany the application of the organization licensee with whom the facility manager applicant has contracted or proposes to contract concerning the racetrack facility.

(c) Each application and any attached documents required by these regulations shall be submitted as a single package. An original and six copies of the application and documents shall be filed with the executive director at the commission offices. One additional copy shall be mailed to each commissioner at the address on file at the commission office. Each application shall be verified under oath by the authorized officer

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or officers of the applicant, and all copies shall be manually signed in ink.

(d) Applications shall be filed with the commission not later than 120 calendar days prior to the first performance of the race meet to be held at the racetrack facility.

(e) Each license shall be granted upon the condition that the holder and each of its officers, directors, employees and agents shall accept, observe and enforce the regulations of the commission.

(f) The application fee required by K.S.A. 1987 Supp. 74-8815 (c) shall be paid in the form of a certified check or bank draft and shall be submitted with the application form.

(g) This regulation shall take effect on and after October 1, 1988. (Authorized by K.S.A. 1987 Supp. 74-8804; implementing K.S.A. 1987 Supp. 74-8815; effective, T-89-6, Jan. 21, 1988; effective Oct. 1, 1988.)

112-3-6. Application form for facility manager applicant. (a) Each application for a facility manager license shall contain the following information:

(1) The name of the applicant, the business address and telephone number or numbers;

(2) the name, address and telephone number of any individual who assisted the applicant in preparing its application along with a precise description of the application section for which the individual provided assistance;

(3) verified responses regarding the following subjects in the order they appear below:

(A) Business structure and control of applicant information required by K.A.R. 112-3-8;

(B) management of the racetrack facility information required by K.A.R. 112-3-12; and

(C) public safety and security information required by 112-3-14.

(4) irrevocable affidavit and consent statements; information waivers; affidavits relating to substance addiction; waivers of

claims for damages for adverse public notice, embarrassment, criticism or other circumstance including financial loss that may result from commission action on the application; and personal background disclosure forms from all officers, directors, employees and agents of the applicant;

(5) one copy of each contract and agreement that the applicant has executed or proposes to execute and any modification or proposed modification of each contract or agreement. If the contract or agreement is an oral one, a written statement explaining the substance of the oral agreement shall be included;

(6) the names and addresses of the parties to any contract or agreement identified in paragraph (5) and the relationship to the applicant, the partners, associates, officers, directors and principal owners either through family, business association or other control.

(b) Each exhibit, statement, report, paper or other document submitted in support of the application shall be current, accurate and complete. The applicant shall report immediately any change in information submitted to the commission during the period of application or licensure. At all times, a current copy of the documents supporting the application shall be recorded in the commission office.

(c) This regulation shall take effect on and after October 1, 1988. (Authorized by K.S.A. 1987 Supp. 74-8804; implementing K.S.A. 1987 Supp. 74-8815; effective, T-89-6, Jan. 21, 1988; effective Oct. 1, 1988.)

112-3-7. Corporate structure and control of organization license applicant. Each application for an organization license shall contain the following information about the corporate or association structure and control of the applicant and any organization related to the applicant:

(a) The application shall list any commercial or non-commercial names used by

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the applicant and the street, number, city and county of the corporation's registered office in this state and the name of the resident agent at that address. A list of the applicant's current telephone number or numbers shall be included.

(b) The application shall describe the applicant's corporate structure. The description shall state the year the corporation was organized and the state in which it was organized.

(c) The application shall contain a certified copy of the applicant's articles of incorporation and bylaws. Any amendments to the articles of incorporation or bylaws shall be filed immediately with the commission, so that, at all times, a current copy of the applicant's articles of incorporation, bylaws and amendments to them will be recorded in the commission office.

(d) The application shall state whether in the past five years the applicant has been reorganized or reincorporated or whether it has filed restated articles of incorporation in the state of Kansas or in any other state. Documentation of that action shall be attached to the application.

(e) The application shall include a copy of the applicant's tax returns from the previous five years or all tax returns if the applicant has been organized for less than five years.

(f) If the applicant's articles of incorporation authorize issuance of capital stock, the application shall state the classes of capital stock authorized, the amount authorized and the amount outstanding as of a date not less than 15 days prior to the date the application is filed.

(g) If the applicant is authorized to issue capital stock, the application shall state the name and address of each person or entity who owns, of record or beneficially, one or more shares of any class of capital stock or an option or conditional interest in the applicant. This information may be displayed in columnar forms providing for name and address, class of stock owned, type of ownership, whether of

record or beneficial, amount owned, and per cent of the class of stock.

(h) If the applicant is authorized to issue capital stock, the application shall describe briefly the terms of any voting trust or power in which any of the capital stock is held and the name, address, class of stock and number of shares of stock for all stock held by that voting trust or power.

(i) If the applicant corporation is authorized to issue capital stock, the application shall describe briefly the terms of any proxy by which any of the capital stock is held, the holder of the proxy and the name, address, class of stock and number of shares of stock for all stock held by such proxy.

(j) If the applicant corporation is a non-stock corporation, the application shall describe briefly the terms of any proxy or any voting power and the name and address of any holder of the proxy or voting powers.

(k) The application shall state any redemption, purchase, retirement, conversion or exchange provisions. If the rights of holders of stock affected by such provisions may be modified by a means other than a majority vote or more of the shares outstanding, voting as a class, a statement and explanation shall be included.

(1) The application shall list the names, including any aliases or previous names, of all directors and officers of the applicant and all persons chosen to become directors or officers. Personal background disclosure forms shall be furnished for each person named using forms provided by the commission. All positions and offices each director and officer has held with the applicant and all principal occupation or occupations each director or officer has held during the past five years shall be identified. The applicant shall disclose for each listed individual the nature and extent of any ownership interest, including options or other voting powers, whether absolute or contingent, that the individual holds in the applicant organization.

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(m) If the applicant was organized within the past five years, the application shall state the following information:

(1) The names of the organization's organizers or promoters;

(2) the nature and amount of anything of value received or to be received by each organizer or promoter directly or indirectly from the applicant; and

(3) the nature and amount of any assets, services or other consideration received or to be received by the applicant from the organizers or promoters.

(n) The application shall list any governmental, public or quasi-governmental or business organization related to the applicant. The percentage of voting interest or other interest held by each related organization, or any other basis of control held by it shall be stated.

(o) The application shall state whether the applicant is directly or indirectly controlled to any extent or in any manner by another individual or entity. If so, the identity of the controlling entity shall be disclosed and the nature and extent of the control shall be described. Documentation of the relationship shall be attached to the application.

(p) If a nonindividual record or beneficial holder of an ownership or other voting interest of three percent or more in the applicant is identified in subsections (1), (m) and (o) above, the application shall disclose the information required by those paragraphs as to record or beneficial holders of an ownership or other voting interest of three percent or more in that nonindividual holder. The disclosure required by those paragraphs shall be repeated in turn until all indirect individual record and beneficial holders of ownership or other voting interest in the applicant are so identified. The disclosure shall be brought about by the best efforts of the applicant.

(q) The application shall include the balance sheets and profit and loss statements for each of the three fiscal years immediately preceding the application, or for the period of

organization if less than three years. The financial information shall be given for the current fiscal year if the applicant has:

(1) not completed a full fiscal year since its organization; or

(2) acquires or is to acquire the majority of its assets from a predecessor within the current fiscal year. Balance sheets, profit and loss statements and all other financial statements required shall be prepared, audited and certified by independent, certified public accountants in accordance with generally accepted accounting procedures and practices accepted on a consistent basis. Any report containing exceptions of a material nature shall not be considered to be certified.

(r) The application shall identify all loans made by the applicant in excess of one percent of net income. The statement shall describe fully the terms of the loan, including but not limited to the name of the borrower, the amount of the loan and the nature and value of the collateral.

(s) The application shall state whether three percent or more of the applicant's assets, or three percent or more of any principal stockholder's stock, is encumbered by any long term debt. The long term debt shall be explained fully by stating the names and addresses of parties holding any evidences of indebtedness from the applicant and the stockholders. One copy of each agreement or any other document relating to the evidences of indebtedness shall be attached to the application.

(t) The application shall briefly describe any pending legal proceeding to which the applicant or any subsidiaries or related organizations are a party. The name of the court or agency in which any proceeding is pending, the date instituted and the principal parties involved shall be included.

(u) The application shall briefly describe any pending legal proceeding involving the property of the applicant, subsidiaries or related organizations. The name of the court or agency in which any proceeding is pending,

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the date instituted and the principal parties involved shall be included.

(v) The application shall state whether the applicant, or any director, officer, policy-making manager, principal stockholder or member has owned any interest in any firm, partnership, association or corporation licensed by the commission, or is now engaged in the business of racing outside of the state of Kansas. An explanation of the circumstances surrounding the interest or participation shall be included.

(w) The application shall describe briefly and state the approximate amount of any interest, direct or indirect, of any officer, director or principal stockholder of the applicant, or any associate of any of the foregoing persons in any transactions during the last three years, or in any proposed transactions to which the applicant was or is to be a party.

(x) The application shall include a statement of good standing from the secretary of state.

(y) This regulation shall take effect on and after October 1, 1988. (Authorized by K.S.A. 1987 Supp. 74-8804; implementing K.S.A. 1987 Supp. 74-8810 and 74-8813; effective, T-89-6, Jan. 21, 1988; effective Oct. 1, 1988.)

112-3-8. Business structure and control of facility owner applicant or facility manager applicant. Each application for a facility owner license or a facility manager license shall contain the following information about the business structure and control of the applicant and any organization related to the applicant:

(a) The application shall state whether the applicant is a person, partnership, corporation, association, the state of Kansas or a political subdivision.

(b) The application shall list any commercial or noncommercial names used by the applicant, the business address or addresses and business telephone number or numbers. If

the applicant is a corporation or limited partnership, the street, number, city and county of the corporation's registered office in this state and the name of the resident agent at that address shall be shown.

(c) The application shall include a copy of the applicant's tax returns for each of the five calendar years immediately preceding this application or all tax returns if the applicant has been organized for less than five years.

(d) The application shall include a copy of the balance sheets and profit and loss statements for each of the three fiscal years immediately preceding this application, or for the period of organization if less than three years. The financial information shall be given for the current fiscal year if the applicant:

(1) Has not completed a full fiscal year since the organization of the business; or

(2) acquires or is to acquire the majority of its assets from a predecessor within the current fiscal year. Balance sheets, profit and loss statements and all other financial statements required shall be prepared, audited and certified by independent, certified public accountants in accordance with generally accepted accounting procedures and practices accepted on a consistent basis. Each report containing exceptions of a material nature shall not be certified.

(e) The application shall identify all loans made by the applicant in excess of one percent of net income. The statement shall include the name of the borrower, the amount of the loan, amount and type of collateral and terms for repayment and duration of the loan.

(f) The application shall briefly describe all pending legal proceedings to which the applicant, applicant's subsidiaries or related organizations are a party. The name of the court or agency in which the proceedings are pending, the date instituted and the principal parties involved shall be included.

(g) The application shall briefly describe all pending legal proceedings involving any of the property of the applicant, applicant's

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subsidiaries or related organizations. The name of the court or agency in which the proceedings are pending, the date instituted and the principal parties involved shall be included.

(h) If the applicant was organized within the past five years, the following information shall be stated:

(1) The names of the organizers or promoters with a voting interest or ownership of three percent or more;

(2) the nature and amount of anything of value received or to be received by the organizers or promoters directly or indirectly from the applicant; and

(3) the nature and amount of any assets, services or other consideration received or to be received by the applicant from the organizers or promoters. The applicant shall make the best effort to disclose the information required in subsection (h) (1).

(i) The application shall list any governmental, public, quasi-governmental or business organizations related to the applicant. The list shall state, for each related organization, the percentage of voting interest or other interest held, or any other basis of control held by the related organization.

(j) The application shall state whether the applicant is directly or indirectly controlled to any extent or in any manner by another individual or entity with a voting interest or ownership of three percent or more. The applicant shall make the best effort to disclose the information required.

(k) The application shall disclose the identity of any controlling entity with a voting interest or ownership of three percent or more and a description of the nature and extent of the control. The applicant shall make the best effort to disclose the information required. Documentation of the relationship shall be attached to this application.

(1) The application shall state whether the applicant, the director, officer, policy-making manager or principal stockholder or member:

(1) has owned an interest in any firm, partnership, association or corporation licensed by the commission; or

(2) is in the business of racing outside of the state of Kansas. An explanation of the circumstance of the interest or involvement shall be included.

(m) The application shall describe briefly and state the approximate value of any direct or indirect interest of any officer, director, policy-making manager, principal stockholder of the applicant organization or any associate of any of these persons, in any transactions during the last three years, or interest in any proposed transactions to which the applicant was or is to be a party;

(n) The application shall list all direct remuneration paid by the applicant and affiliated or related organizations during the applicant's last fiscal year to each partner, director, officer or policy-making manager of the applicant, naming each. As used in this paragraph, direct remuneration includes salary, retirement benefits, automobiles furnished, expenses reimbursed and all other sums paid for the benefit of the partner, officer, director, policy-making manager or other recipient;

(o) The application shall list the names, including any aliases or previous names, of each partner, director, officer or policy-making manager of the applicant, and each person chosen to become a partner, a director, an officer or a policy-making manager with a voting interest or ownership of three percent or more. The applicant shall make the best effort to disclose the information required. Personal background disclosure forms provided by the commission shall be furnished by each person named. All positions and offices held by each person named by the applicant and each person's principal occupation during the past five years shall be listed by the applicant. The applicant shall disclose for each listed individual the nature and extent of any beneficial or ownership interest, including options or other voting

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powers, whether absolute or contingent, that the individual holds in the applicant organization.

(p) If a nonindividual record or beneficial holder of an ownership or other voting interest of three percent or more in the applicant is identified in subsections (h), (j) and (o) above, the applicant shall disclose the information required by those paragraphs as to record or beneficial holders of any ownership or other voting interest of three percent or more in that nonindividual holder. The disclosure required by those paragraphs must be repeated in turn until all indirect individual record and beneficial holders of ownership or other voting interest in the applicant are so identified. The disclosure shall be brought about by the best efforts of the applicant.

(q) If the applicant is a corporation, the following information shall be attached to the application:

- (1) The applicant's corporate structure;
- (2) the year the corporation was organized;
- (3) the state in which the corporation was organized;
- (4) a certified copy of the applicant's articles of incorporation and bylaws. Any amendments to the articles of incorporation or bylaws shall be filed in a timely manner with the commission. A current copy of the applicant's articles of incorporation, bylaws and amendments shall be recorded at all times in the commission office;
- (5) a statement whether, in the past five years, the applicant has been reorganized or reincorporated or whether it has filed restated articles of incorporation in the state of Kansas or in any other state. Documentation of such an action shall be attached to the application;
- (6) a statement of the classes of capital stock authorized, the amount authorized and the amount outstanding as of fifteen days prior to the date of filing the application. If applicable, a statement of the amount of dividends paid to the stockholders during the five years immediately preceding the

application or for the period of incorporation if a lesser time.

(7) a list of the name and address of each person or entity who owns, of record or beneficially, one or more shares of any class of capital stock or an option or conditional interest in the applicant. This information may be displayed in columnar forms providing for name and address, class of stock owned, type of ownership, whether of record or beneficial, amount owned, and percent of the class of stock;

(8) a brief description of the terms of any voting trust or power in which any of the capital stock is held and the name, address, class of stock and number of shares of stock for all stock held by that voting trust or power;

(9) a brief description of the terms of any proxy by which any of the capital stock is held, the holder of the proxy and the name, address, class of stock and number of shares of stock for all stock held by such proxy;

(10) a statement of any dividend rights, redemption, purchase, retirement, conversion or exchange provisions;

(11) a statement and an explanation if the rights of holders of stock affected by the exchange provisions may be modified otherwise than by a vote of a majority or more of the shares outstanding, voting as a class;

(12) a statement whether three percent or more of the applicant's assets, or three percent or more of any principal stockholder's stock, is encumbered by any long term debt;

(13) a list of names and addresses of all parties holding any evidences of indebtedness including any oral agreements from the applicant and the stockholders;

(14) copies of the agreements or other documents relating to evidences of indebtedness;

(15) if the applicant is applying for a facility owner or facility manager license for the first time:

(A) A statement whether the applicant has or proposes to enter into any loan transaction or has or will be executing any evidence of

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indebtedness or oral loan agreement shall be provided;

(B) a list of the names and addresses of any parties loaning or proposing to loan funds and those parties holding evidences of indebtedness relating to the applicant shall be provided;

(C) the applicant shall submit a statement whether three percent or more of the applicant's stock is or is proposed to be encumbered by any debt, whether as a result of loans to the applicant or loans to the stockholder, and a statement of the names and addresses of any lenders or proposed lenders. For each disclosure under this section, copies of any agreements or documents relating to the loan or encumbrance or a written summary of any oral transaction shall be attached; and

(16) a statement of good standing from the secretary of state.

(r) If the applicant is a partnership, the following information shall be included with the application:

(1) A statement whether the partnership is a general or limited partnership, and whether it is a domestic or foreign partnership;

(2) a statement indicating in what state and in what year the partnership was formed;

(3) a certified copy of the applicant's partnership agreement or a certified copy of the certificate of limited partnership;

(4) if any of the applicant's partners is a corporation, responses shall be submitted by each corporate partner to the requests appearing in subsection (q) above;

(5) a statement whether in the past five years the partnership has filed:

(A) A restated certificate of limited partnership; or

(B) any certificate of changes or amendments to the partnership certificate;

(6) a statement whether:

(A) Any certificate has been cancelled;

(B) a judicial decree of amendment or cancellation has been issued; or

(C) a certificate of reinstatement has been issued. Documentation of any of these activities shall be attached to the application.

(7) a statement of any provisions for assignment of partnership interests, interim distributions or distributions upon withdrawal or dissolution;

(8) a statement whether three percent or more of the applicant's assets are encumbered by any long term debt;

(9) a list of names and addresses of all parties holding any evidences of indebtedness or any oral agreements from the applicant;

(10) a copy of any agreements or other documents relating to any evidences of indebtedness;

(11) if the applicant is applying for a facility owner or facility manager license for the first time:

(A) A statement whether the applicant has or proposes to enter into any loan transaction or has or will be executing any evidence of indebtedness or oral loan agreement shall be provided;

(B) a list of names and addresses of any parties loaning or proposing to loan the funds and any parties holding evidences of indebtedness relating to the applicant shall be provided;

(C) a statement whether three percent or more of the applicant's stock is or is proposed to be encumbered by any debt, whether as a result of loans to the applicant or loans to the stockholder shall be provided;

(D) a list of the names and addresses of any lenders or proposed lenders shall be provided; and

(E) a copy of any agreement or document relating to the loan or encumbrance or a written summary of any oral transaction shall be provided; and

(12) a statement of good standing from the secretary of state shall be provided. (Authorized by K.S.A. 1987 Supp. 74-8804; implementing K.S.A. 1987 Supp. 74-8810 and 74-8815; effective, T-89-6, Jan. 21, 1988; effective Oct. 1, 1988.)

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112-3-9. Site and physical plant. Each application for a facility owner license or for an organization license in which the applicant proposes to construct or to own a racetrack facility shall contain the following information:

(a) The application shall identify the county and municipality where the racetrack or proposed racetrack is or will be located.

(b) The application shall state whether a majority of qualified electors in the named county approved either:

(1) The constitutional amendment permitting the conduct of horse and greyhound races and parimutuel wagering; or

(2) a proposition permitting horse and greyhound races and parimutuel wagering within the county boundaries. The form of racing approved shall be stated.

(c) The application shall state whether the applicant's facility is or will be designed to conduct horse racing, greyhound racing, or both. If horse racing is to be conducted, the breed of the horse to be raced shall be stated.

(d) The application shall identify any racing organization of which the applicant is a member.

(e) The application shall include the actual legal description of the proposed racetrack site.

(f) The application shall include the name and address of each title holder to the real property and any predecessor in title for the past five years.

(g) The application shall include the name and address of each person holding a mortgage or other security interest in the real property.

(h) The application shall include a certified title insurance policy or abstract.

(i) The application shall state and document the status of governmental action relating to the following:

(1) The city street, county road and state highway improvements necessary to ensure adequate access to the applicant's racing facility, including:

(A) The estimated cost of improvements;
(B) the status and estimated date of completion;

(C) the identity of the party or parties responsible for the cost of the improvements; and

(D) the proportionate distribution of the cost of the improvements if more than one party is responsible for the cost;

(2) the sewer, water, and other public utility improvements necessary to serve the applicant's facility including:

(A) The estimated cost of improvements;
(B) the status and estimated date of completion;

(C) the identity of the party or parties responsible for the cost of improvements; and

(D) the proportionate distribution of the cost of the improvements if more than one party is responsible for the cost;

(3) any required government approvals for financing improvements under subsection (i)(1) and (i)(2) above and any required government approvals for zoning or special use permits, including:

(A) A description of the approval, unit of government, date and documentation;

(B) a statement whether public hearings were held, including when and where the public hearings were conducted or why the public hearings were not held; and

(C) a statement whether the unit of government attached any conditions to approval. The applicant shall disclose the conditions, including documentation;

(4) a statement whether any required governmental approvals remain to be obtained, as well as a description of the approval, unit of government, status, likelihood of approval and estimated date of approval; and

(5) a statement whether the applicant is in compliance with all statutes, resolutions, ordinances and regulations pertaining to the development, ownership and operation of the racing facility. If the applicant is not in compliance, the applicant shall disclose the reasons the applicant is not in compliance.

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(j) The application shall state the number of miles from the nearest population area, including:

(1) A description of the transportation facilities serving the area;

(2) a description of public or private transportation arrangements to the area; and

(3) highway and street access to the track; and a site map reflecting the highway and street access to the track.

(k) The application shall state the track dimensions for each track proposed, including the following dimensions and specifications:

(1) The circumference;

(2) the width;

(3) the banking;

(4) the location of the starting gates or the starting boxes;

(5) the length of the stretch;

(6) the distance between the finish line and the first turn;

(7) the type of base and surface for the track; and

(8) the winterization method for the racing surface.

(l) The applicant shall supplement the information requested in subsections (m) through (w) below with at least one copy of the architect's plans showing the details of any proposed construction.

(m) The application shall describe the size and the type of construction, including:

(1) A description of the grandstand;

(2) the total seating capacity, specifically detailing the area that is air-conditioned or heated;

(3) the reserved and non-reserved seating capacity;

(4) the indoor and outdoor seating capacity;

(5) the configuration of the grandstand seating;

(6) the configuration and location of the parimutuel facilities;

(7) the configuration and location of the food, drink and other concessions;

(8) the configuration and location of clubs or other special facilities for patrons;

(9) the number and location of restroom facilities;

(10) the drinking fountains;

(11) the medical facilities;

(12) the pattern of public pedestrian traffic; and

(13) the provisions for the handicapped.

(n) The application shall describe the construction and type of parking facilities, detailing:

(1) Access to parking from perimeter local, state or federal highways;

(2) the number and location of parking spaces available for general public parking at the facility;

(3) the road surface to be used on parking facilities;

(4) the distance between parking and the grandstand;

(5) a street map of the area showing the relation of parking to surrounding state, local and federal highways;

(6) the public road improvements that must be completed to provide adequate public access to the facility;

(7) whether the road improvements will be performed by local authorities;

(8) when the improvements will be completed; and

(9) a plan of the parking facilities.

(o) The application shall describe facilities to accommodate horses by listing the following:

(1) The location, number, dimension and method of construction of boxed stalls or other stalls;

(2) the location, number, dimension and method of construction of boxed stalls or other stalls for stakes horses, overnights and haul-ins; and

(3) the location and description of temperature and fire regulation equipment in the facility.

(p) The application shall describe facilities to accommodate greyhounds by listing the following:

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(1) The location and method of construction of kennels within the compound including:

- (A) The number of kennels per building;
 - (B) the location of restroom and work areas or kitchens in kennel buildings;
 - (C) the location, number and method of construction of crates for greyhounds in kennels;
 - (D) the location, number and method of construction of crates for stakes greyhounds and resident racing greyhounds to be kenneled; and
 - (E) the availability of telephone hook-up and cable hook-up for video reception;
- (2) the location and number of any turn-out pen and attached lean-to; and
- (3) the location and number of sprint fields.
- (q) The application shall describe facilities for horse or greyhound owners and other racing personnel, including separate parking, tack rooms and trainer rooms.

(r) The application shall describe the testing facilities, providing a detailed plan for them and an estimated cost of construction. The distance from the test facilities to track and paddock, the number of sampling stalls, the placement of viewing ports on each stall, the location of the post-mortem floor, the number of wash stalls with hot and cold water and drains, the availability of video monitors and a description of the walking ring shall be stated.

(s) The application shall describe the paddock, providing a detailed plan of the paddock and an estimate of the cost of construction. The dimensions and the number of stalls or crates, the height from the floor to the lowest point of the stall or crate ceiling and entrance, and the location of the shoeboard shall be described. The office or other facilities for the paddock judge and identifier shall be described.

(t) The application shall describe in detail the jockey's quarters, including the changing facilities, a list of equipment to be installed in each facility, the location of the jockey's quarters in relation to the paddock, the location

of the weight station and an estimate of the cost of the construction.

(u) The application shall state the height, type of construction and materials of restricted area fencing, including whether there is a clear zone at least four feet wide around the outside of the entire restricted area.

(v) The application shall describe security equipment and the location at the racetrack, exclusive of fencing.

(w) The application shall describe work areas for commissioners, stewards, license clerks and the employees of these personnel.

(x) This regulation shall take effect on and after October 1, 1988. (Authorized by K.S.A. 1987 Supp. 74-8804; implementing K.S.A. 1987 Supp. 74-8804, 74-8813, 74-8814 and 74-8815; effective, T-89-6, Jan. 21, 1988; effective Oct. 1, 1988.)

112-3-10. Financing and development.

Each application for an organization license or a facility owner license in which the applicant proposes to construct or own a racetrack facility shall contain the following information:

(a) The application shall state the names and addresses of every person or business organization that provides or will provide contractual services to the applicant for purposes of the licensed project, indicating the nature of such services rendered and the equipment or property provided or to be provided.

(b) The application shall include a copy of each contract and written agreement disclosed in subsection (a). If the agreement or understanding is an oral one, a statement explaining the substance of the oral agreement or understanding shall be attached to the application. For any contract, agreement or understanding referred to, the name and address of each party to the contract shall be stated. Any relationship of the parties through control, family or business association to the applicant, the partners, associates,

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officers, directors, or principal owners shall be stated.

(c) The application shall state a detailed project budget of any expenditure related to the completion or improvement of the proposed facility, including but not limited to:

- (1) Architecture and engineering costs;
- (2) land acquisition costs;
- (3) site development costs, including:
 - (A) Survey;
 - (B) soil and site work;
 - (C) utilities;
 - (D) parking lot;
 - (E) transportation access; and
 - (F) track(s);
- (4) facility construction cost, including:
 - (A) Grandstand;
 - (B) security and fire equipment;
 - (C) stable or kennel, or both;
 - (D) test and detention paddock; and
 - (E) tote board;
- (5) equipment acquisition cost;
- (6) cost of interim financing;
- (7) organization, administrative and legal expenses;
- (8) projected permanent financing costs; and
- (9) marketing costs.

(d) The application shall state the construction schedule proposed for completion or improvement of the facility, including an estimated date of project completion and the following information:

(1) A detailed description of the method or methods by which the construction project and components will be undertaken, including but not limited to general construction contract, force account, or fast track method; and

(2) an estimated time schedule for construction or improvement, including the date the proposed project will be fully operational and the number of months after the license is granted that each of the following activities will be either commenced or completed:

- (A) The acquisition of land;
- (B) the solicitation of bids;

- (C) the award of construction contracts;
- (D) the construction commencement;
- (E) the completion of construction;
- (F) the occupancy of the new facility or space;
- (G) the training of staff;
- (H) the commission check and inspection of the facility for public and racing readiness; and
- (I) the commencement of racing.

(e) The application shall state the source or sources of funding for the completion or improvement of the project proposed by the application. The following shall be identified and documented:

- (1) Each source of equity contribution and the amount of the contribution;
 - (2) any present or conditional commitment received for each funding source;
 - (3) each source of debt contribution, and the amount of the contribution;
 - (4) any present or conditional commitment received for the financing; and
 - (5) a detailed financing timetable stating a date for the submission of an unqualified commitment for financing to the commission.
- (f) The application shall identify and describe sources of additional funds needed for cost overruns, nonreceipt of expected equity or debt funds, failure to achieve projected revenues or any other cause.

(g) The application shall include an index to and copies of all proposed acquisition documents and a certification by the applicant that the commission has been provided with a copy of all the documents.

(h) As a part of the application process, the applicant shall submit an index to and copies of all fully executed acquisition documents and a certification by the applicant that the commission has been provided with a copy of all the documents within seven days after acquisition is complete.

(i) This regulation shall take effect on and after October 1, 1988. (Authorized by K.S.A. 1987 Supp. 74-8804; implementing K.S.A. 1987 Supp. 74-8813, 74-8814 and 74-8815;

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effective, T-89-6, Jan. 21, 1988; effective Oct. 1, 1988.)

112-3-11. Racing operation and parimutuel wagering. Each application for an organization license shall contain the following information about the operation and conduct of any horse races or greyhound races and the parimutuel system of wagering:

(a) The application shall state by actual dates the live racing days requested by the applicant.

(b) The application shall state the kind of racing to be conducted.

(c) The application shall list those persons within the applicant organization who will be supervising the conduct and operation of the horse races or greyhound races, or both, and the operation of the parimutuel system of wagering to the extent known, including the following:

(1) The legal name, all aliases, and any previous name;

(2) the current residence and each business address and telephone number;

(3) any qualifications and experience in the following areas:

(A) General business;

(B) finance and accounting;

(C) racing industry;

(D) parimutuel systems and wagering; and

(E) security;

(4) a copy of any written contract or a statement of the terms of any oral agreement between the applicant and each officer and staff member identified in subsection (c) above;

(5) the basic job description and qualifications for each position described in subsection (c) above and a personnel organization chart;

(6) a plan for preopening and continuing training for the applicant's personnel; and

(7) a personal background disclosure form executed and verified by each of the individuals identified in subsection (c) above.

(d) The application shall state financial projections regarding the operation and conduct of any races and parimutuel wagering during the first five racing years, with separate schedules based upon the number of racing days and types of parimutuel wagering that the applicant requires to break even and the optimum number of live racing days and types of wagering the applicant seeks each year. The applicant shall attach to the financial projection statement any documentation of assumptions or projections made, including the following:

(1) Projected balance sheets by an independent certified public accountant that, for the end of the development or improvement period and for each of the first five years of racing, state the current, fixed, and other noncurrent assets, current and long-term liabilities, and capital accounts, including the accountant's review report of the financial and cash flow projections based on, among others, the following assumptions and support for them:

(A) The average daily attendance;

(B) the average daily handle;

(C) the average per capita wager;

(D) the number of estimated admissions to the track, including each ticket price and free admission;

(E) the estimated minimum purse schedule;

(F) the totalisator equipment lease;

(G) any state and federal tax;

(H) the estimated payroll;

(I) the amount of insurance;

(J) any travel expense;

(K) any operating supplies and services;

(L) any repair and maintenance expense;

(M) any membership expense;

(N) any legal and audit expense;

(O) any retainage from the parimutuel handle;

(P) any parimutuel expense; and

(Q) any equipment depreciation and the method of depreciation used; and

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(2) an information sheet detailing the background of the independent certified public accountant who provided the financial projections requested in paragraph (d)(1).

(e) The application shall state whether the applicant, any officer, any director, or any principal stockholder has complied with and is in compliance with K.S.A. 74-8810, and amendments thereto.

(f) The application shall state a proposal for security of payment, including a surety bond or other financial security, and the amount of payment adequate to secure the licensee's potential financial liability for unpaid taxes, purses, and distribution of parimutuel winnings and breakage.

(g) The application shall state a plan for distribution of the net earnings from the conduct of horse races or greyhound races, or both, pursuant to K.S.A. 74-8813 (d), and amendments thereto, projected over the first five years of racing.

(h) The application shall describe the applicant's parimutuel department, including the totalisator facility, the nature and type of equipment to be installed, and any proposed lease agreements relating to the totalisator system and the equipment. A copy of each lease agreement, written contract, or statement of the terms of any oral agreement between the applicant and the totalisator equipment provider shall be attached to the application.

(i) The application shall describe the starting, timing, photo finish, and photo patrol or video equipment, including any provider of equipment or services. A copy of any lease agreement, written contract or statement of the terms of any oral agreement between the applicant and any provider identified in this subsection shall be attached to the application.

(j) The application shall list memberships of the applicant, any personnel, and consultants in horse racing or greyhound racing organizations and memberships in any other organizations. (Authorized by K.S.A. 74-8804; implementing K.S.A. 74-8813 and 74-8814;

effective, T-89-6, Jan. 21, 1988; effective Oct. 1, 1988; amended Sept. 5, 2003.)

112-3-12. Management of racetrack facility. Each application for an organization license or a facility manager license in which the applicant proposes to manage a racetrack facility shall contain the following information:

(a) The application shall include:

(1) The applicant's management plan;

(2) the functions, job description and required qualifications of management personnel; and

(3) an organization chart.

(b) The application shall list management personnel with the following information:

(1) Legal name, any aliases and any previous names;

(2) current residences, business addresses and telephone numbers;

(3) any qualification and experience in the following areas:

(A) General business;

(B) real estate development;

(C) construction;

(D) marketing, promotion, and advertising;

(E) finance and accounting;

(F) security; and

(G) human health and safety and animal health and safety;

(4) a description of the terms of employment. A copy of each contract, agreement or a statement of any oral agreement identified in this section shall be attached to the application; and

(5) personal background disclosure forms executed and verified by each of the individuals identified in this section shall be attached to the application.

(c) The application shall identify consultants and other contractors who have provided or will provide management related services to the applicant, to the extent known, and provide the following information for each service provider:

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(1) The full name;
(2) the current address and telephone number;
(3) the nature of the services;
(4) any qualifications and experience; and
(5) a description of the terms and conditions of any contractor's agreement or contract. A copy of each agreement and contract or a statement of any oral agreement identified in this section shall be attached to the application.

(d) The application shall describe the applicant's marketing, promotion and advertising plans for:

- (1) The pre-opening; and
- (2) the first race meeting.

(e) The application shall describe the applicant's plan for any concessions, including but not limited to food, beverage and other products. The owner and operator of concessions shall be identified. A copy of the contract or agreement or a statement of any oral agreement for each party identified in subsection (e) shall be attached to the application.

(f) The application shall include a schedule of rates charged for the performance of any service or for the sale of any article on the premises of the facility, whether directly or through a concessionaire.

(g) The application shall state the plan for pre-opening and continuing training for the applicant's personnel.

(h) The application shall include projected balance sheets by an independent certified public accountant that, for the end of the development or improvement period and for each of the first five years of racing, state current, fixed, and other noncurrent assets, current and long-term liabilities and capital accounts, including the accountant's review report of financial and cash flow projections based on, among others, the following assumptions, including support for the assumptions:

- (1) The average daily attendance;

- (2) the number of admissions to the track, including ticket prices and free admissions;
- (3) any parking fees and revenues;
- (4) any concessions and program sales including the schedule of charges;
- (5) any fees or other rates charged on the premises of the facility not otherwise identified;
- (6) any sales tax;
- (7) any personal property tax;
- (8) any real estate tax;
- (9) any special assessments;
- (10) any payroll;
- (11) any operating supplies and services;
- (12) any utilities;
- (13) any repairs and maintenance;
- (14) any equipment depreciation, stating the method of depreciation used;
- (15) any facility depreciation, stating the method of depreciation used;
- (16) any insurance;
- (17) any travel expense;
- (18) any membership expense;
- (19) any security expense;
- (20) any legal and audit expense;
- (21) any debt service;
- (22) any state and federal tax;
- (23) any stall and kennel rent;
- (24) any advertising and promotion; and
- (25) any interest expense; and any other assumptions of financial and cash flow projections.

(i) The application shall include an information sheet detailing the background of the independent certified public accountant who provided the financial projections requested in subsection (h).

(j) The application shall state whether the applicant, any officers, directors and principal stockholders have complied with and are in compliance with K.S.A. 1987 Supp. 74-8810.

(k) This regulation shall take effect on and after October 1, 1988. (Authorized by K.S.A. 1987 Supp. 74-8804; implementing K.S.A. 1987 Supp. 74-8813, 74-8814 and 74-8815; effective, T-89-6, Jan. 21, 1988; effective Oct. 1, 1988.)

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112-3-13. Economic, demographic and other information. Each application for a facility owner license or an organization license in which the applicant proposes to construct or own a racetrack facility shall contain the following information:

(a) The application shall describe the climatic conditions prevalent during the proposed race meeting.

(b) The application shall state the population of the area, the growth trend and describe the potential track market.

(c) The application shall state the projected economic impact of the track, including:

(1) The economic impact for the respective horse breeding or greyhound breeding industries in Kansas;

(2) any employment created, including:

(A) whether the employment is temporary or permanent;

(B) the type of work and compensation;

(C) the employer; and

(D) how the employment was created;

(3) any purchases of goods and services including the money amount and type of purchase;

(4) any public and private investment;

(5) any tax revenue generated; and

(6) any relative economic site advantage.

(d) The application shall state the projected social impact of the track, including how it may affect the following:

(1) The school system;

(2) the police service;

(3) the fire service;

(4) the ambulance service;

(5) the population growth;

(6) the housing demand; and

(7) the community planning and development scheme.

(e) The application shall state whether any area residents oppose the proposed track site, and state what effect, if any, that opposition will have on the economic welfare of the proposed track.

(f) The application shall state the ecological impact of the track site, including a plan for waste disposal.

(g) The application shall describe the effect of competition with any racetrack in and out of the state and with any other sport or recreational facility in the area. A detailed statement of what effect the competition from any other racetrack will have on the availability of track personnel and on the quality of racing stock shall be made.

(h) This regulation shall take effect on and after October 1, 1988. (Authorized by K.S.A. 1987 Supp. 74-8804; implementing K.S.A. 1987 Supp. 74-8813; effective, T- 89-6, Jan. 21, 1988; effective Oct. 1, 1988.)

112-3-14. Public safety and security. Each application for a facility manager license or an organization license in which the applicant proposes to manage a racetrack facility shall contain the following information:

(a) The application shall include the following information regarding security personnel:

(1) Whether the security personnel are or will be direct or contractual employees;

(2) a complete security force organization chart;

(3) a complete job description of the entire security force, including each level of security and the location to which each level will be assigned;

(4) the training, including the type of training and the training program, if applicable; and

(5) whether the security force is or will be bonded. If the security force is bonded, a certified copy of any bond document and a statement of the amount and when the applicant will satisfy the bond conditions shall be attached to the application.

(b) The application shall describe a complete security plan for the race period and the non-race period, including:

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(1) The number and deployment of security personnel;

(2) the perimeter;

(3) the stable and the kennel compound;

(4) the cash room;

(5) the vault;

(6) the method of money transfer between wagering windows, cash room and any other location to which money will be transferred;

(7) the number of sworn law enforcement personnel assigned to any local law enforcement offices and the types of incidents to which the law enforcement personnel may be expected to respond;

(8) the coordination between the racetrack facility security and the local law enforcement personnel, including the location of the local law enforcement office and the approximate response time;

(9) any video monitoring equipment, including the type and location;

(10) any alarms, including the type and location;

(11) the testing or detention barn or paddock for horses;

(12) the greyhound paddock;

(13) the parking lot;

(14) the backside and the frontside;

(15) any emergency procedures, including ambulance, first aid or evacuation, and the location of any local emergency medical services and approximate response time;

(16) the exclusion and expulsion rules;

(17) the security force equipment;

(18) the policy and procedure for admittance of persons to any locations at the racetrack facility; and

(19) the control of traffic at the racetrack facility.

(c) The application shall describe a complete racetrack fire and safety policy, including:

(1) The standard operating procedures of security personnel to ensure the fire safety of any areas of the facility;

(2) the electrical safety and devices, including number, type, uses and locations;

(3) the inspections, including any inspection schedules;

(4) the straw, hay and feed storage;

(5) the smoking;

(6) the sleeping quarters, if applicable;

(7) the barn, the stable and the kennel compound;

(8) the grandstand;

(9) the club house or other special patron area;

(10) the administrative offices;

(11) the type and location of fire fighting equipment; and

(12) the coordination between the track and any local fire department, including the location of the local fire department and the approximate response time.

(d) This regulation shall take effect on and after October 1, 1988. (Authorized by K.S.A. 1987 Supp. 74-8804; implementing K.S.A. 1987 Supp. 74-8804, implementing K.S.A. 1987 Supp. 74-8813; effective, T-89-6, Jan. 21, 1988; effective Oct. 1, 1988.)

112-3-15. Annual certified financial audit of organization licensee. (a) Each organization licensee shall file annually a financial audit as required by K.S.A. 1987 Supp. 74-8813(i) on or before 90 days after the licensee's fiscal year end. The licensee's audit shall be filed with the executive director at the commission office.

(b) This regulation shall take effect on and after October 1, 1988. (Authorized by K.S.A. 1987 Supp. 74-8804; implementing K.S.A. 1987 Supp. 74-8813; effective, T-89-6, Jan. 21, 1988; effective Oct. 1, 1988.)

112-3-16. Organization license application forms and fees for fair associations and the state of Kansas. (a) Modified organization license application forms may be drafted by the commission for fair associations and for the state of Kansas or any political subdivision thereof subject to the provisions of K.S.A. 74-

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8813 as amended by L. 1994, Ch. 146, Sec. 5, K.S.A. 74-8814 as amended by L. 1994, Ch. 146, Sec. 6, and K.S.A. 74-8815.

(b) The following application fees shall apply:

(1) \$50 for parimutuel racing not to exceed eleven days;

(2) \$100 for parimutuel racing with not less than twelve nor more than twenty-one days; and

(3) \$500 for parimutuel racing exceeding twenty-one days. (Authorized by K.S.A. 1993 Supp. 74-8804 as amended by L. 1994, Ch. 146, Sec. 3; implementing K.S.A. 1993 Supp. 74-8804 as amended by L. 1994, Ch. 146, Sec. 3, K.S.A. 74-8813 as amended by L. 1994, Ch. 146, Sec. 5, K.S.A. 74-8814 as amended by L. 1994, Ch. 146, Sec. 6, and K.S.A. 74-8815; effective, T-89-6, Jan. 21, 1988; effective Sept. 20, 1988; amended March 19, 1990; amended July 10, 1995.)

112-3-17. Submission of information. (a) Any license applicant or any licensee may be required by the commission to submit information to facilitate the review of an initial license application or any subsequent review of an existing license, or to ascertain compliance with any provision of this act or any rule and regulation adopted by the commission.

(b) Any licensee required to submit information under subsection (a) of this regulation shall submit the information within 10 days of the commission's request for the information.

(c) Any licensee proposing to enter into any contract described in K.S.A. 74-8804(h), K.S.A. 74-8813(n) or K.S.A. 74-8836(d)(3) and amendments thereto, or any other contract required to be submitted to the commission by any other provision of the parimutuel racing act, K.S.A. 74-8801 et. seq. and amendments thereto, or any rule or regulation adopted by the commission, shall submit a copy of such proposed contract to the commission within five business days after the parties to such a

proposed contract have concluded an agreement.

(d) Any licensee failing to submit information requested pursuant to subsection (a) of this regulation or copies of contracts pursuant to subsection (c) of this regulation within the time periods provided in subsections (b) and (c) of this regulation may after notice and hearing be assessed a civil fine of \$50.00 per day, up to a maximum of \$5,000, for each day such information or contract is submitted late. (Authorized by and implementing K.S.A. 1994 Supp. 74-8804; effective, T-89-6, Jan. 21, 1988; effective Oct. 1, 1988; amended March 1, 1996.)

112-3-18. Commission approval of sale or conveyance. (a) In the event the control of a facility owner or facility manager licensee is to be conveyed, no sale or conveyance shall take effect until approval is obtained from the commission. The application of the purchaser shall contain the same information required by K.A.R. 112-3-8 pertaining to the application procedure for a facility owner and facility manager applicant.

(b) This regulation shall take effect on and after October 1, 1988. (Authorized by K.S.A. 1987 Supp. 74-8804; implementing K.S.A. 1987 Supp. 74-8804 and 74-8815; effective, T-89-6, Jan. 21, 1988; effective Oct. 1, 1988.)

112-3-19. Background investigations. (a) Any entity or individual identified for investigation in these regulations or found to be material to the racing program shall submit to a background investigation conducted by the director of security, director of the Kansas bureau of investigation or other person designated by the commission. Each individual or entity identified in this regulation shall provide three sets of fingerprints recorded on fingerprint cards by a certified law enforcement officer, and shall execute and verify a personal background

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disclosure form provided by the commission. The level of any background investigation may be designated by the commission.

(b) Each individual or entity identified in this regulation shall file the fingerprint cards and personal background disclosure form in the offices of the Kansas bureau of investigation or the Kansas racing commission as designated by the commission.

(c) Except as otherwise provided by law or rules and regulations adopted by the commission, no individual or entity identified for investigation in these regulations or found to be material to the racing program shall exercise any power, duty or function in the identified capacity until the background investigation for such individual or entity has been completed and approved by the commission.

(d) Each individual who regularly assumes duties similar to the following positions shall undergo a complete background investigation conducted by the commission's director of security, the Kansas bureau of investigation or any other person designated by the commission:

- (1) Board of directors of:
 - (A) The organization licensee;
 - (B) the facility owner licensee; and
 - (C) the facility manager licensee;
- (2) officers of fair associations seeking organizational licenses;
- (3) board of directors/officers of non-profit horsemen's organizations seeking organizational licenses;
- (4) chief executive officer of organization/facility licensee;
- (5) general manager;
- (6) assistant general manager;
- (7) horse racetrack officials;
- (8) greyhound racetrack officials;
- (9) backup horse racetrack officials;
- (10) backup greyhound racetrack officials;
- (11) director of security;
- (12) mutuel employee serving as money room manager;
- (13) concession manager/operator; and

(14) any other position designated for good cause by the commission. (Authorized by and implementing K.S.A. 1995 Supp. 74-8804, as amended by K.S.A. 1995 Supp. 74-8804; effective, T-89-6, Jan. 21, 1988; effective Sept. 20, 1988; amended March 19, 1990; amended March 8, 1996.)

112-3-20. Testing for controlled substances.

(a) Any commission licensees and any officers, directors, and employees of the licensees may be required by the commission to submit to tests determining the use of any controlled substance.

(b) This regulation shall take effect on and after October 1, 1988. (Authorized by K.S.A. 1987 Supp. 74-8804; implementing K.S.A. 1987 Supp. 74-8804; effective, T-89-6, Jan. 21, 1988; effective Oct. 1, 1988.)

112-3-21. Race date fees, payment. Daily race date fees to be paid by an organization licensee pursuant to K.S.A. 1996 Supp. 74-8813(g) shall be paid in advance at least monthly by the licensee, remitting such daily license fees to the commission before the 25th day of the month preceding the month for which such fees are assessed. (Authorized by K.S.A. 1996 Supp. 74-8804; implementing K.S.A. 1996 Supp. 74-8813 and 74-8813a; effective July 25, 1997.)