

STATE OF KANSAS  
KANSAS RACING COMMISSION  
ANNUAL REPORT



1990

STATE OF KANSAS



KANSAS RACING COMMISSION

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February 26, 1991

The Honorable Joan Finney  
Governor  
State of Kansas  
State Capitol  
Second Floor  
Topeka, KS 66612-1590

Dear Governor Finney:

This letter is to transmit to you, the legislature of the State of Kansas and the people of the State of Kansas the annual report of the Kansas Racing Commission for 1990.

This document is a compilation of accomplishments and highlights of the Kansas Racing Commission and the horse and greyhound racing industry in the State of Kansas. It is intended to represent both a narrative and statistical summary for calendar year 1990.

Respectfully submitted,

*H Philip Martin*

H. Philip Martin, Chairman  
Kansas Racing Commission

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## II. INTRODUCTION

On November 4, 1986 Kansas voters approved a constitutional amendment authorizing the legislature to regulate parimutuel horse and greyhound racing. The Kansas parimutuel racing act became law on May 28, 1987, and three months later five newly-appointed members of the Kansas racing commission conducted their first meeting. By mid March 1988, the commission had received 13 applications for licenses to build and operate racetracks throughout the State of Kansas. The first parimutuel race meeting was conducted by the Rooks County Free Fair August 17, 18 and 19, 1988. Soon after, the Greenwood County Fair Association conducted a 19 day horse race meeting, commencing September 4, 1988. Newly-constructed racetrack facilities--for greyhounds in Wichita and for greyhounds and horses in Kansas City--opened in September, 1989. The statutes governing parimutuel racing in Kansas may be found at K.S.A. 74-8801 et seq.

## III. THE KANSAS RACING COMMISSION

### Kansas Racing Commission Members

The Kansas Racing Commission consists of five members appointed by the governor.

H. Philip Martin, Chairman  
Larned, Kansas  
Term expires: June 30, 1993

Kay Arvin, Vice-Chairman  
Wichita, Kansas  
Term expires: June 30, 1991

Harry Anthony, Member  
Manhattan, Kansas  
Term expires: June 30, 1992

Peggy Coder, Secretary  
Independence, Kansas  
Term expires: June 30, 1993

Robert Londerholm  
Olathe, Kansas  
Term expires: June 30, 1992

Bert Cantwell  
Kansas City, Kansas  
Resigned May 1990

Alfred G. Schroeder  
Madison, Kansas  
Term expired: June 30, 1990

Fulltime Employees

	1987	1988-1989	1989-1990	1990-1991
<b>Topeka Office</b>				
Unclassified	6.0	6.0	6.0	6.0
Classified	8.0	10.0	8.0	14.0
<b>Total</b>	<b>14.0</b>	<b>16.0</b>	<b>14.0</b>	<b>20.0</b>
<b>Field Offices</b>				
Unclassified				
(vets)				6.0
Classified			6.0	6.0
(licensing & security)				
<b>Total</b>			<b>6.0</b>	<b>12.0</b>
<b>Total F.T.E.</b>	<b>14.0</b>	<b>16.0</b>	<b>20.0</b>	<b>32.0</b>

Commission Staff

During the 1990 calendar year the racing commission was staffed by the following individuals:

Dan Hamer	Executive Director
Frances Snell	Administrative Assistant
Mike Jones	Inspector of Parimutuels
Vacant	Director of Security
Kit Bostrom	Licensing Supervisor
Clint Rankin, D.V.M.	Animal Health Officer
*Mary Ann Kiefer	Chief Judge - Kansas City
*Roland Shaal	Chief Steward - Kansas City
*Dave Enos	Chief Judge - Wichita
*Randy Blaseg	Chief Steward - Eureka

\*Independent contractor status

Meetings of the Commission

During 1990 the commission met 31 times in regular session. In addition, meetings were held to conduct hearings and informal inquiries. The commission's regular meetings are held bi-weekly in the Topeka office and at the racetrack facilities.

Commission Office

The office of the Kansas Racing Commission is located at:

3400 Van Buren  
Topeka, Kansas 66611-2228

## Kansas Racing Highlights

The commission is a member of the Association of Racing Commissioners International (ARCI). Commissioners attended the 1990 annual convention held in Phoenix, Arizona. The ARCI maintains an informational system, the National Association of State Racing Information System (NASRIS), through which the Kansas Racing Commission obtains information on licenses and disciplinary proceedings of other member commissions. In addition, the ARCI provides a drug testing and quality assurance program for the state's drug testing facility.

The Kansas Racing Commission hosted a racing officials and stewards school April 16-23, 1990 at the Overland Park Marriott in Kansas City. The seminar was sponsored by the University of Arizona Racetrack Industry Program and the American Quarter Horse Association. It was the first combined horse and greyhound officials school, designed to give Kansans a unique and nationally-recognized program.

1990 quarter horse racing statistics released by the AQHA indicate Kansas ranked 6th nationally in handle and 5th in attendance of quarter horse racing.

The Association of Racing Commissioners International, Inc.'s latest statistic summary shows Kansas ranked 4th nationally in greyhound racing handle and attendance.

Kansas also ranked 12th nationally in tax revenue to state governments from all forms of parimutuel wagering (horse, greyhound, jai alai, both on-track and off-track).

The Woodlands in Kansas City and Wichita Greyhound Park in Wichita received no public assistance in their construction via IRB's or other property tax relief as is the case with most major new construction projects. As a result, over \$2,400,000 in property taxes were assessed against the two facilities during calendar year 1990.

In its first distribution of earnings Wichita Greyhound Charities gave out \$661,942 to charities that deal with programs for the "homeless, hungry and needy" (\$315,962) as well as organizations dealing with the arts (\$158,000) and tourism (\$187,980).

#### IV. COMMISSION OPERATIONS

##### A. Parimutuel and Revenues

The racing commission's audit staff consists of a supervisor (Inspector of Parimutuels) and one Auditor II. Where most states traditionally station an auditor full-time at each racing facility whenever a track is in operation, Kansas has chosen to cover its facilities on a random rotating basis with staff housed in Topeka. The staff deals in a variety of areas such as ensuring the totalizator system's software and manual operations are conducted in a manner that safeguards the interest of the wagering public and the state. They also monitor purse payments to horse and greyhound owners, admissions tax collection, unclaimed winning ticket processing, program information release, the handling of Kansas Breed Development Programs, complaint resolutions and a review of licensee's financial statements. The following financial data provides a summary of the financial activity of the various areas monitored or handled by the racing commission's staff.

KANSAS RACING COMMISSION  
 STATE RACING FUND COLLECTIONS BY FACILITY  
 CALENDAR YEAR 1990  
 PREPARED JANUARY 28, 1991

	<u>Horse</u>			<u>Greyhound</u>			<u>State Total</u>
	<u>Kansas City</u>	<u>Eureka</u>	<u>Total</u>	<u>Kansas City</u>	<u>Wichita</u>	<u>Total</u>	
Total Handle	\$42,152,428.00	\$1,721,494.00	\$43,873,922.00	\$155,200,855.00	\$74,280,861.00	\$229,481,716.00	\$273,355,638.00
Race Days	76	38	114	213	291	504	618
Performances	76	38	114	324	424	748	862
Admissions	435,641	27,631	463,272	1,293,609	762,679	2,056,288	2,519,560
 Collections							
Parimutuel Tax	\$1,380,140.58	\$ 54,984.46	\$ 1,435,125.04	\$ 5,048,856.53	\$ 2,441,942.03	\$ 7,490,798.56	\$ 8,925,923.60 (95.3%)
Admissions Tax	76,671.87	3,539.74	80,211.61	121,496.41	109,986.95	231,483.36	311,694.97 ( 3.3%)
Licensing	25,262.00	17,470.00	43,732.00	13,101.00	10,619.00	23,720.00	67,452.00 ( .7%)
Fines	3,686.00	1,150.00	4,836	840.00	3,400.00	4,240.00	9,076.00 ( .1%)
Daily Licensing Fee	-0-	-0-	-0-	-0-	58,200.00	58,200.00	58,200.00 ( .6%)
 Total Racing Fund	 \$1,486,760.45	 \$ 77,144.20	 \$1,563,904.65	 \$ 5,184,293.94	 \$ 2,624,147.98	 \$ 7,808,441.92	 \$ 9,372,346.57 (100%)
 Collections Per Day	 \$ 19,562.64	 \$ 2,030.11	 \$ 13,718.46	 \$ 24,339.41	 \$ 9,017.69	 \$ 15,492.94	 \$ 15,165.61
Collections Per Perf.	--	--	--	\$ 16,000.91	\$ 6,189.03	\$ 10,439.09	\$ 10,872.79
Average Handle	\$ 554,637.21	\$ 45,302.47	\$ 384,858.96	\$ 479,014.98	\$ 175,190.71	\$ 306,793.74	\$ 317,117.91
Average Attendance	5,732	727	4,063	3,992	1,799	2,749	2,923

KANSAS RACING COMMISSION  
DISTRIBUTION OF HANDLE  
CALENDAR YEAR 1990

	<u>Horse</u>			<u>Greyhound</u>			<u>Combined Total State</u>
	<u>Woodlands</u>	<u>Eureka</u>	<u>Total-Horse</u>	<u>Woodlands</u>	<u>Wichita</u>	<u>Total-Greyhound</u>	
Handle	\$42,152,428.00	\$1,721,494.00	\$43,873,922.00	\$155,200,855.00	\$74,280,861.00	\$229,481,716.00	\$273,355,638.00
Takeout:							
Parimutuel Tax	\$1,380,140.58	\$ 34,984.46	\$ 1,435,125.04	\$ 5,048,856.53	\$ 2,441,942.03	\$ 7,490,798.56	\$ 8,925,923.60
Purses * <sup>1</sup>	2,760,457.96	110,086.58	2,870,544.54	6,734,954.77	3,255,858.84	9,990,813.61	12,861,358.15
Track Commission	4,140,598.43	165,071.07	4,305,669.50	18,542,489.78	8,224,129.38	26,766,619.16	31,072,288.66
Total	\$8,281,196.97	\$ 330,142.11	\$ 8,611,339.08	\$30,326,301.08	\$11,921,930.25	\$ 44,248,231.33	\$ 52,859,570.41
Breakage * <sup>2</sup>	324,438.93	16,269.69	340,708.62	579,450.04	211,265.33	790,715.39	1,131,424.01
Return to Wagering Public * <sup>3</sup>	\$33,546,792.10	\$1,375,082.20	\$34,921,874.30	\$124,295,103.90	\$60,147,665.40	\$184,442,769.30	\$219,364,643.60

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

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

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

STATE RACING FUND  
STATEMENT OF ACTIVITY  
CY-90

Beginning Fund Balance 1-1-90 \$2,270,221

Sources of Funds:

Parimutuel Tax	8,871,366
Admissions Tax	407,211
Licensing	70,746
Fines	11,170
Daily Licensing Fees	37,400
Misc.	27,867

Uses of Funds:

Agency Operations	1,920,721
Transfers to Kansas Bureau of Investigation	623,000
Transfers to State Gaming Fund	6,749,493
Reserve for General Fund	
Loan Repayment	<u>1,646,665</u>
Ending Fund Balance 12-31-90	<u>\$ 756,102</u>

### Horse Breeding Development Program

The purpose of this program is to provide an economic incentive to the horse industry to locate or expand their breeding and training operations in the state of Kansas.

	Woodlands	Eureka Downs	State Total
<b>Source of Funds (CY-90):</b>			
Breakage	\$324,467	\$16,314	\$340,781
Unclaimed winning tickets	185,355	20,575	205,930
Carryover from CY-89	<u>-0-</u>	<u>14,545</u>	<u>14,545</u>
Total	\$509,822	\$51,434	\$561,256
<b>Allocated Use of Funds (CY-90):</b>			
Kansas Bred Purse			
Supplements	\$ 63,090	\$14,475	\$ 77,565
Kansas Bred Mare Awards	203,943	14,756	218,699
Kansas Bred Stallion Awards	50,986	3,689	54,675
Kansas Bred Stakes Race			
Awards	42,500	5,000	47,500
Equine Research	9,268	1,529	10,797
Carryover to CY-91	<u>140,035</u>	<u>11,985</u>	<u>152,020</u>
Total	\$509,794	\$51,434	\$561,256

## Greyhound Breeding Development Program

The purpose of this program is to provide an economic incentive for the greyhound industry to locate and grow in the state of Kansas.

	Woodlands	Wichita Greyhound Park	State Total
<b>Source of Funds (CY-90):</b>			
Breakage	\$ 579,450	\$211,265	\$ 790,715
Unclaimed winning tickets	<u>699,480</u>	<u>128,103</u>	<u>827,583</u>
<b>Total</b>	<b>\$1,278,930</b>	<b>\$339,368</b>	<b>\$1,618,299</b>
<b>Allocated Use of Funds (CY-90):</b>			
Kansas Bred Stakes			
Race Awards	\$ 349,740	\$ 64,052	\$ 413,792
Kansas Bred Purse			
Supplements	289,725	105,633	395,358
Open Stakes Race Awards	289,725	105,633	395,358
Research for the Prevention of Disease and Injury in Greyhounds	244,818	44,836	289,654
Greyhound Tourism Fund	<u>104,922</u>	<u>19,215</u>	<u>124,137</u>
<b>Total</b>	<b>\$1,278,930</b>	<b>\$339,368</b>	<b>\$1,618,299</b>

### Local Racing Admissions Tax Fund

The fund receives 20 cents from every admission to a racing facility in Kansas that is exempt from paying property tax. In 1990 Eureka Downs was the only racing facility with such an exemption. All proceeds are to be remitted back 50% to the city and 50% to the county in which the track is located.

Total Collections CY-90 \$3,984.60

## B. Licensing

The occupation licensing program serves the public, track and racing industry personnel through implementation of the applicable statutes and regulations. The integrity of racing is ensured by the licensure of all persons working at parimutuel racetracks. These licenses, valid for one year, are issued following the submission of an application, individual identification, fingerprints and required fees. Evidence of licensure takes the form of a coded identification card that bears the licensee's photograph. The licensee must wear it at all times while on the premises of a racing facility.

The 1990 licensing program began in December 1989 with the issuance of renewal licenses for all track personnel, owners and other industry personnel. Licensing operated three field offices during 1990 at Eureka Downs, the Woodlands and Wichita Greyhound Park with two or more licensing clerks in each office. During the peak seasons, temporary employees were used to assist with the issuing of licenses. These three offices issued 8,476 licenses and fingerprinted 4,050 new licensees during the calendar year.

The implementation of a fully-automated occupation licensing program on an AS400 computer system highlighted licensing accomplishments in 1990. The AS400 replaced the semi-automated PC-based system previously used. The new system is used at commission satellite offices to issue licenses, produce badge cards, maintain licensee information and track all license fees collected. Other 1990 accomplishments include significant modification of application forms to better obtain necessary information from occupation applicants. In conjunction with the new licensing system, improvements were made in the generation of letters used for licensing through automated word processing techniques available on the AS400.

The following page represents a breakdown of licenses by occupational category.

## 1990 Occupational Licenses

License Category	Eureka Downs*	The Woodlands*	Wichita Greyhound Park*	Total Licenses*	Fee	Total
Administration	9	20	35	64	\$20.00	\$ 1,240.00
Administrative Support	7	82	15	104	5.00	470.00
Admissions/Parking Attendant	12	140	72	224	5.00	1,070.00
Announcer	1	2	3	6	5.00	30.00
Apprentice Jockey	6	7	0	13	10.00	110.00
Assistant Manager	1	0	0	1	20.00	20.00
Assistant Racing Secretary	0	1	3	4	10.00	20.00
Assistant Starter	1	10	9	20	5.00	40.00
Assistant Trainer	14	108	71	193	10.00	1,510.00
Authorized Agent	4	26	1	31	10.00	10.00
Blacksmith	1	0	0	1	10.00	10.00
Brakeman	0	5	7	12	10.00	20.00
Breed Registry	1	0	0	1	10.00	10.00
Chart Writer	3	2	3	8	10.00	40.00
Clerk of Scales	1	5	8	14	10.00	20.00
Concession Employee	31	597	353	981	5.00	4,830.00
Concession Operator	2	8	4	14	10.00	120.00
Director of Racing	0	1	1	2	20.00	40.00
Director of Security	1	1	1	3	20.00	60.00
Exercise Person	26	45	0	71	5.00	265.00
Farrier	11	15	0	26	10.00	250.00
Groom/Hot Walker	156	249	0	405	5.00	1,845.00
Owner By Open Claim	0	2	0	2	10.00	20.00
Horseman's Bookkeeper	3	1	0	4	10.00	20.00
Identifier	1	1	0	2	10.00	10.00
Jockey	47	96	0	143	10.00	1,390.00
Jockey Agent	2	16	0	18	10.00	180.00
Jockey Room Attendant	3	2	0	5	5.00	25.00
Kennel Helper	0	42	36	78	5.00	360.00
Kennel Master	0	3	8	11	20.00	80.00
Kennel Owner	0	49	34	83	20.00	1,820.00
Lead Out	0	78	85	161	5.00	765.00
Lure Operator	0	3	3	6	10.00	20.00
Maintenance	21	115	125	261	5.00	1,175.00
Mutuel Employee	45	499	197	741	5.00	3,820.00
Mutuel Manager	1	0	0	1	10.00	10.00
Official	0	12	1	13	10.00	120.00
Outrider	3	2	0	5	10.00	40.00
Owner	430	1,125	281	1,836	10.00	13,910.00
Owner/Assistant Trainer	8	15	6	29	20.00	340.00
Owner/Partner	250	424	123	797	10.00	7,380.00
Owner/Trainer	223	168	5	396	20.00	7,400.00
Paddock Judge	1	1	2	4	10.00	20.00
Parimutuel Teller/Clerk	4	0	0	4	5.00	10.00
Patrol Judge	0	8	10	18	10.00	10.00
Photo Finish Operator	4	1	2	7	10.00	60.00
Plater	0	1	0	1	10.00	10.00
Pony Person	50	44	0	94	5.00	335.00
Practicing Veterinarian	5	17	2	24	10.00	230.00
Practicing Assistant Veterinarian	3	8	0	9	5.00	40.00
Promotion Manager	0	1	0	1	20.00	20.00
Racing Judge	0	5	4	9	0.00	0.00
Racing Secretary	0	2	1	3	20.00	60.00
Security	15	92	60	167	5.00	790.00
Starter	2	6	6	14	10.00	30.00
Steward	3	3	0	6	0.00	0.00
Supervisor of Mutuels	1	3	0	4	20.00	60.00
Testing Technician	7	16	9	32	5.00	90.00
Timer	0	4	0	4	10.00	20.00
Selection Sheet Operator	0	5	0	5	10.00	50.00
Totalisator Employee	1	14	15	30	5.00	145.00
Treck Superintendent	0	3	0	3	10.00	20.00
Trainer	72	171	42	285	10.00	2,420.00
Valet	0	8	0	8	5.00	30.00
Emergency Medical Technician	16	1	6	23	5.00	100.00
Video Operator1	10	10	4	24	10.00	240.00
Temporary Owner	32	310	0	342	10.00	3,420.00
Duplicate Badges	24	415	126	565	10.00	5,650.00

\*Totals include additional licenses and owner licenses converted from temporary licenses where no fee was charged and fees do not include multiple registrations.

### C. Security

The Kansas parimutuel act requires the Kansas Racing Commission to utilize security personnel to help regulate racing. Every effort is made to protect the integrity of the industry. During 1990 the agency employed three qualified security officers.

The security division is charged with the enforcement of the state laws, rules and regulations adopted by the commission and the parimutuel racing act.

A primary function of the Kansas Racing Commission's security division is to allow only qualified personnel to participate in racing in Kansas. The security personnel investigate, examine and review criminal records on license applications, perform personnel background checks and perform concessionaire background checks. Records from federal, state and local law enforcement agencies as well as the Association of Racing Commissioners International are searched and checked against applicants for licenses. The investigators work closely with other racing commission personnel including the KRC licensing staff at the tracks, the parimutuel division and the animal health officers at the tracks. Since the judges and stewards represent the Kansas Racing Commission at the tracks, it is of paramount importance that the investigators work closely with them to investigate activities and actions of licensees at the track.

The licensed tracks are charged with providing security for racing at their particular location. The investigators from the Kansas Racing Commission monitor this security activity and verify the qualifications of the officers doing security work for the track. They verify that these officers are on duty and assist with cases which are being investigated. The investigators also work with other Kansas Racing Commission personnel in checking the physical plants from time to time. This would include kennel inspections, stable inspections, jockey quarter inspections and general observations of the mechanical operations for racing.

#### D. Animal Health

The primary responsibility of the Animal Health Division of the Kansas Racing Commission is to provide information and consultation pertaining to veterinary medicine to the commission.

This service is provided by a veterinarian serving as an Animal Health Officer on the commission staff in Topeka and two veterinarians at each racing facility as commission employees. These veterinarians are supported by lay technicians for assistance in the field to help collect specimens and to handle racing animals during any necessary treatment procedures at the track.

The primary responsibility of the Animal Health Division is to provide for the health and safety of racing animals. Pre-race physical examinations are performed at least once prior to the animal's racing. The animal health officers assist owners and trainers in matters of veterinary medicine. If unforeseen lameness or illnesses occur in racing animals, veterinarians have the authority to withdraw an animal from the race. Assistant Animal Health Officers also protect the safety of racing animals by inspecting kennels, equipment, cages and racing surfaces.

A major portion of the Assistant Animal Health Officer's time is spent in the implementation of the drug testing program for the racing animals. This program involves obtaining blood and/or urine specimens from selected animals from each race. The specimens which have been maintained under a secure chain of custody are then sent to the Racing Chemistry Laboratory, Iowa State University, Ames, Iowa, to be tested for drugs foreign to the animal's natural system.

All drug testing as well as other duties of the Assistant Animal Health Officers are established to act as a deterrent to the administration of illicit drugs to the racing animals to alter their performance in a race.

Listed below are the result of the drug testing along with expenditures to carry out this program for the Kansas Racing Commission.

#### Kansas Greyhound Final Report 1990

Total Samples	10753	
Total Suspicious	340	(3.16%)
Total Negative	254	
Total Positive	86	(0.8%)

## Kansas Horse Final Report 1990

Total Samples	4746
Total Suspicious	319 (6.72%)
Total Negative	290
Total Positive	28 (0.59%)

The total billing from Iowa State for animal drug testing in 1990 was \$314,636.

### E. Legal

Two assistant attorneys general office with commission staff and assist the commission in all legal matters, including the enforcement of the Kansas parimutuel racing act. Their daily responsibilities include prosecution of legal matters pending before the commission, the district and appellate courts and other state agencies, including the boards of stewards and racing judges.

The legal matters considered by these hearing bodies in 1990 were varied. The Kansas supreme court decided the final appeal of the commission's original racetrack licensing decisions. Little Balkans Foundation, Inc. v. Kansas Racing Comm'n, 247 Kan. 180, P.2d (1990). A district court determined which information contained in the investigative reports of racetrack applicants should be a matter of public record. The Kansas civil service board considered a former racing steward's challenge of a commission employment decision. And commission racing judges heard evidence concerning the training of racing greyhounds on animal lures. The commission itself conducted comprehensive annual review hearings for its racetracks at Eureka and Wichita, and presided at a formal administrative hearing concerning a racetrack manager's occupation license. It expects to complete an investigation and administrative hearing concerning Wichita racetrack licenses during the first quarter of 1991.

Extensive modification of regulations governing greyhound racing were completed in 1990, and counsel began a review of horse regulations that are proposed for modification in 1991. Now in its fourth year, Kansas racing law is rapidly becoming integrated into the legal and governmental forums.