# ARTICLE 17 – FAIR ASSOCIATION OR HORSEMEN'S NONPROFIT ORGANIZATION

**112-17-1. Application procedure, fair association and horsemen's nonprofit organization applicant.** (a) Any fair association, as defined in K.S.A. 74-8802(h), and horsemen's nonprofit organization, as provided in K.S.A. 74-8814, as amended, may apply to the commission for an organization license to conduct races on which parimutuel wagering is permitted.

(b) Each application shall be completed upon a form provided by the commission. If the applicant proposes to contract with a facility owner or facility manager, or both, to own or operate the racetrack facility, the completed organization applicant form shall accompany the facility owner and facility manager applications.

(c) Each application and any attached documents required by these regulations shall be submitted as a single package. An original and 10 copies of the application and documents shall be filed with the executive director at the commission offices. 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) Unless otherwise directed by the commission, applications shall be filed with the commission not later than 120 calendar days prior to the first performance of the race meeting the applicant proposes to conduct.

(e) If the applicant proposes to construct a racetrack facility, a deposit as required by K.S.A. 74-8813 (b), as amended by L. 1994, Ch. 146, Sec. 5, 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 an application fee in the form of a certified check or bank draft as follows:

(1) for a license to conduct races with parimutuel wagering on not more than 11 days, $50;

(2) for a license to conduct races with parimutuel wagering on at least 12 but not more than 21 days, $100; and

(3) if the applicant is the Greenwood County fair association, a horsemen's nonprofit organization or the Anthony fair association, for a license to conduct races at Eureka Downs, Anthony Downs, or a racetrack facility on or adjacent to premises used by a fair association to conduct fair activities on more than 21 days as specified by the commission, $500.

(f) Unless otherwise directed by the commission, the license fee required by K.S.A. 74-8814(a) for the initial race meeting shall be paid to the commission within 60 days after the granting of the applicant's organization license. Thereafter, the license fee shall be paid to the commission on or before a date that is 60 days before the first race conducted at the race meeting to which the license fee applies. (Authorized by K.S.A. 1993 Supp. 74-8804, as amended by L. 1994, Ch. 146, Sec. 3, and K.S.A. 74-8814, as amended by L. 1994, Ch. 146, Sec. 6; implementing K.S.A. 1993 Supp. 74-8804, as amended by L. 1994, Ch. 146, Sec. 3, and K.S.A. 74-8813, as amended by L. 1994, Ch. 146, Sec. 5, and K.S.A. 74-8814, as amended by L. 1994, Ch. 146, Sec. 6; effective Nov. 30, 1992; amended July 10, 1995.)

**112-17-2. Application form, fair association and horsemen's nonprofit organization applicant.** (a) Each application for a fair association organization license or a horsemen's nonprofit organization license, as provided in K.S.A. 74-8814, as amended, shall contain the following:

(1) a description of the applicant's organizational structure, including:

(A) the applicant's full name;

(B) the applicant's business address and telephone number;

(C) if applicable, the date the applicant commenced operating a fair;

(D) current copies of the applicant's articles of incorporation, bylaws, rules and regulations or any other agreements or

documents that create or govern the applicant's organization;

(E) a statement of good standing from the secretary of state;

(F) the full names, including any aliases or previous names, dates of birth and addresses of the applicant's officers. As to each officer, the applicant shall disclose the nature and extent of any voting interest in the applicant; and

(G) the full names, including any aliases or previous names, dates of birth and addresses of any principal shareholder or principal member of the applicant. As to each member or shareholder, the applicant shall disclose the nature and extent of voting interest in the applicant.

(2) a statement whether the applicant is directly or indirectly controlled to any extent or in any manner by another individual or entity. If so, the applicant shall disclose the identity of the controlling entity and a description of the nature and extent of control;

(3) copies of any contracts, agreements or understandings that the applicant or any individual or entity identified pursuant to this regulation has entered into or proposes to enter into regarding applicant's race meeting. If the contract, agreement or understanding is an oral one, a written statement explaining the substance of the oral agreement shall be included;

(4) copies of any contracts, agreements or understandings that the applicant has entered into or proposes to enter into for the payment of fees, rents, salaries or other compensation by the applicant. If the contract, agreement or understanding is an oral one, a written statement explaining the substance of the oral agreement shall be included;

(5) a statement whether the applicant, or any director, officer, policy-making manager, principal shareholder or principal member owns or has owned any interest in any racing-associated or gambling-associated firm, partnership, association or corporation licensed by a governmental authority. If so, a description of the circumstances surrounding the interest or participation shall be provided, including the identity of the license or permit holder, the nature of the license or permit, the identity of the issuing authority and the dates of the issuance and any termination of the license or permit; and

(6) a statement whether the applicant, any officer, any director, any principal shareholder or any principal member has complied with and is in compliance with K.S.A. 1993 Supp. 74-8810.

(b) For purposes of this regulation a principal member or principal shareholder is one who owns an interest in the applicant of three percent or more.

(c) 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. (Authorized by K.S.A. 1993 Supp. 74-8804, as amended by L. 1994, Ch. 146, Sec. 3, and K.S.A. 74-8814, as amended by L. 1994, Ch. 146, Sec. 6; implementing K.S.A. 1993 Supp. 74-8804, as amended by L. 1994, Ch. 146, Sec. 3, and K.S.A. 74-8813, as amended by L. 1994, Ch. 146, Sec. 5, and K.S.A. 74-8814, as amended by L. 1994, Ch. 146, Sec. 6; effective Nov. 30, 1992; amended July 10, 1995.)

**112-17-3. Site and physical plant, fair association and horsemen's nonprofit organization applicant.** Each application for a fair association and horsemen's nonprofit organization license in which the applicant proposes to own or to construct a racetrack facility shall contain the following information: (a) the address, including the county and municipality, of the racetrack facility at which the applicant proposes to conduct racing;

(b) a site map that reflects existing and proposed highways and streets adjacent to the racetrack facility;

(c) a description of the grandstand, including the indoor and outdoor seating capacities, the location of food, drink and other concessions, the number and location of restrooms and the number and location of drinking fountains;

(d) the types of racing for which the facility is designed, whether greyhound or horse and, if horse, the breed of horse;

(e) racetrack dimensions by circumference, width, banking, location of starting gates or boxes, length of stretch, and type of surface, as well as a description of equipment that will be used to maintain the track surface. If the applicant proposes more than one racetrack, the applicant shall provide the details for each;

(f) for horse racetracks, a description of horse stalls which includes the dimensions, separation, location and total number of stalls;

(g) for greyhound racetracks, a description of facilities to accommodate greyhounds which includes the location, number, method of construction and size of crates, as well as the location, size and number of any turnout pens;

(h) as directed by the commission, a description of testing facilities;

(i) for horse racetracks, a description of the jockeys' and drivers' quarters which includes changing areas and a listing of any equipment to be located in the quarters;

(j) a description of the totalisator system, including the approximate location of bettors' windows, the money room, totalisator equipment and, if known, the identity of the totalisator provider;

(k) a description of the parking, including the road surface on the parking areas, the distance between parking and the grandstand, the access to parking from surrounding streets and highways and the number of public and other parking spaces available;

(l) a description of any improvements and equipment to be used for security, fire and safety purposes, including the identity of the provider of the equipment, if known;

(m) a description of the starting, timing video replay and photo finish equipment, including the provider of the equipment, if known; and

(n) a description of the work areas to be used by the commission, its employees and agents. (Authorized by K.S.A. 1993 Supp. 74-8804, as amended by L. 1994, Ch. 146, Sec. 3, and K.S.A. 74-8814, as amended by L. 1994, Ch. 146, Sec. 6; implementing K.S.A. 1993 Supp. 74-8804, as amended by L. 1994, Ch. 146, Sec. 3, and K.S.A. 74-8813, as amended by L. 1994, Ch. 146, Sec. 5, and K.S.A. 74-8814, as amended by L. 1994, Ch. 146, Sec. 6; effective Nov. 30, 1992; amended July 10, 1995.)

**112-17-4. Financial resources, fair association, and horsemen's nonprofit organization applicant.** Each application for a fair association or horsemen's nonprofit organization license in which the applicant proposes to own or to construct a racetrack facility shall contain the following information concerning the applicant's financial resources: (a) A financial statement that reflects the applicant's current assets, including investments, loans, and advances receivable; and

(b) fixed assets and current liabilities, including loans and advances payable, long-term debt, and equity. (Authorized by K.S.A. 2000 Supp. 74-8804 and 74-8814; implementing K.S.A. 2000 Supp. 74-8804, 74-8813, as amended by L. 2001, Ch. 5, Sec. 342, and 74-8814; effective Nov. 30, 1992; amended July 10, 1995; amended Nov. 16, 2001.)

**112-17-5. Financial plan, fair association and horsemen's nonprofit organization applicant.** Each application for a fair

association or horsemen's nonprofit organization license in which the applicant proposes to own or to construct a racetrack facility shall contain the following information concerning the applicant's financial plan: (a) financial projections for each of the first and the next three racing years, with separate schedules based upon the number of racing days and types of parimutuel wagers the applicant requires to break even and the optimum number of racing days and types of wagers applicant requests for each year;

(b) statements disclosing the following assumptions:

(1) average daily attendance;

(2) average daily per capita handle and average wager;

(3) retainage;

(4) admissions to the racetrack, including paid and free admissions;

(5) parking volume, fees and other revenues;

(6) concessions and program sales;

(7) purses;

(8) parimutuel expense;

(9) breed funds;

(10) payroll including reimbursement to the commission as authorized by the act;

(11) operating supplies and services;

(12) utilities;

(13) repairs and maintenance;

(14) insurance;

(15) membership expense;

(16) security expense;

(17) legal and audit expense; and

(18) debt service.

(c) statements disclosing the following projected profit and loss elements:

(1) total revenue, including projected revenues from retainage and breakage, admissions, parking, concessions and program operations;

(2) total operating expenses, including projected anticipated expenses for the following:

(A) purses;

(B) parimutuel;

(C) state and local taxes;

(D) breed funds;

(E) cost of concession goods and programs;

(F) advertising and promotion;

(G) payroll;

(H) operating supplies and service;

(I) maintenance and repairs;

(J) security; and

(K) legal and audit; and

(3) nonoperating expenses, including anticipated expenses for debt service, facility depreciation and identification of the method used, and equipment depreciation and identification of the method used;

(d) statements disclosing the projected cash flow, including an assessment of:

(1) income, including equity contributions, debt contributions, interest income and operating revenue; and

(2) disbursements, including land, improvements, equipment, debt service, operating expense and organizational expense; and

(e) a disclosure of the projected balance sheets as of the end of any development period and the first and the next three racing years setting forth current, fixed and other noncurrent assets, current and long-term liabilities, and capital accounts. (Authorized by K.S.A. 1993 Supp. 74-8804, as amended by L. 1994, Ch. 146, Sec. 3, and K.S.A. 74-8814, as amended by L. 1994, Ch. 146, Sec. 6; implementing K.S.A. 1993 Supp. 74-8804, as amended by L. 1994, Ch. 146, Sec. 3, and K.S.A. 74-8813, as amended by L. 1994, Ch. 146, Sec. 5, and K.S.A. 74-8814, as amended by L. 1994, Ch. 146, Sec. 6; effective Nov. 30, 1992; amended July 10, 1995.)

**112-17-6. Governmental actions, fair association and horsemen's nonprofit organization applicant.** Each application for a fair association or horsemen's nonprofit organization license in which the applicant

proposes to own or to construct a racetrack facility shall contain the following information concerning governmental actions: (a) a statement that the applicant is not required to secure any governmental approval for the ownership, operation or development of the racetrack facility; or

(b) a statement disclosing any required governmental approvals for the ownership, operation or development of the racetrack facility, including:

(1) a description of the approval, the unit of government involved, the date of the approval and documentation of it;

(2) a statement whether public hearings were held. If they were, the applicant shall disclose when and where the hearings were conducted. If they were not held, the applicant shall disclose why they were not held; and

(3) a statement whether the unit of government involved attached any conditions to the approval. If so, the applicant shall disclose the conditions, including documentation, and

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

(c) a statement whether the racetrack facility complies with all statutes, charter provisions, ordinances and regulations pertaining to the ownership, operation and development of a racetrack facility. If not in compliance, the applicant shall disclose the reasons why it is not; and

(d) a statement 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. (Authorized by K.S.A. 1993 Supp. 74-8804, as amended by L. 1994, Ch. 146, Sec. 3, and K.S.A. 74-8814, as amended by L. 1994, Ch. 146, Sec. 6; implementing K.S.A. 1993 Supp. 74-8804, as amended by L. 1994, Ch. 146, Sec. 3, and K.S.A. 74-8813, as amended by L. 1994, Ch. 146, Sec. 5, and K.S.A. 74-8814, as amended by L. 1994, Ch. 146, Sec. 6; effective Nov. 30, 1992; amended July 10, 1995.)

**112-17-7. Development process, fair association and horsemen's nonprofit organization applicant.** Each application for a fair association or horsemen's nonprofit organization license in which the applicant proposes to construct or to improve an existing racetrack facility shall contain the following information concerning the applicant's development process: (a) the total costs of construction of the facility, distinguishing between fixed costs and projections;

(b) a separate identification of the following costs, distinguishing between fixed costs and projections:

(1) facility design;

(2) land acquisition;

(3) site preparation;

(4) improvements and equipment, separately identifying the costs of the items listed in subparagraphs (e) through (n) of K.A.R. 112-17-3 and other categories of improvements and equipment;

(5) interim financing;

(6) permanent financing; and

(7) organization, administrative, accounting and legal services.

(c) documentation of fixed costs;

(d) the schedule for construction of the facility including the estimated completion date;

(e) schematic drawings;

(f) copies of any contracts with and performance bonds from the:

(1) architect or other design professional;

(2) project engineer;

(3) construction engineer;
(4) contractor and subcontractor; and
(5) equipment procurement personnel; and
(g) a statement whether the site is owned or leased. If so, the applicant shall provide the documentation for the acquisition. If not, the applicant shall disclose what actions it must take to secure use of the site;
(h) a description of equity and debt sources of financing, including:
(1) with respect to each source of equity contribution, an identification of the source, amount, form, method of payment, nature and amount of present commitment, documentation and actions which the applicant will take to obtain more certain commitments and commitments for additional amounts; and
(2) with respect to each source of debt contribution, an identification of the source, amount, form, method of payment, nature and amount of present commitment, documentation and actions which the applicant will take to obtain more certain commitments and commitments for additional amounts; and
(i) an identification and description of the sources of additional funds, if needed, due to cost overruns, nonreceipt of expected equity or debt funds, failure to achieve projected revenues or any other cause. (Authorized by K.S.A. 1993 Supp. 74-8804, as amended by L. 1994, Ch. 146, Sec. 3, and K.S.A. 74-8814, as amended by L. 1994, Ch. 146, Sec. 6; implementing K.S.A. 1993 Supp. 74-8804, as amended by L. 1994, Ch. 146, Sec. 3, and K.S.A. 74-8813, as amended by L. 1994, Ch. 146, Sec. 5, and K.S.A. 74-8814, as amended by L. 1994, Ch. 146, Sec. 6; effective Nov. 30, 1992; amended July 10, 1995.)

**112-17-8. Management of racetrack facility, fair association and horsemen's nonprofit organization applicant.** Each application for a fair association and horsemen's nonprofit organization license shall contain the following information concerning management of the facility: (a) a description of the applicant's management plan, including a budget and the identification of each management position by function, job description and qualification. The applicant shall include a copy of an organization chart that depicts the chain of command for each management position;
(b) an identification of management personnel or volunteers and, to the extent known, for each:
(1) a legal name, any alias and any previous name;
(2) a current residence and business address and a telephone number for each;
(3) any qualification and experience in the following areas:
(A) general business;
(B) marketing, promotion and advertising;
(C) finance and accounting;
(D) horse or greyhound racing;
(E) parimutuel wagering;
(F) security; and
(G) human and animal health and safety; and
(4) a description of the terms and conditions of employment and a copy of any written agreement;
(c) an identification of consultants and other contractors, to the extent known, who have provided or will provide management-related services to the applicant, and, for each:
(1) a full name;
(2) a current address and telephone number;
(3) the nature of service provided;
(4) any qualification and experience; and
(5) a description of the terms and conditions of any agreement and a copy of any written agreement;
(d) a description of memberships in racing organizations held by the applicant, its management personnel and its consultants;
(e) a description of the applicant's security plan, including:
(1) the number and deployment of security personnel serving the applicant during a race meeting;

(2) the specific security plans for the stable or kennel area, detention area, parimutuel areas, money room and other restricted areas;

(3) the specific security plans for detecting persons at the racetrack facility who are subject to the provisions of K.S.A. 1993 Supp. 74-8804 (f) (1) through (3), as amended by L. 1994, Ch. 146, Sec. 3, or who have violated commission regulations or the racing act; and

(4) a description of the coordination of the security plan with other law enforcement agencies;

(f) a description of the applicant's plans for human health and safety, including emergencies;

(g) a description of the applicant's plans for animal health and safety, including provisions for maintenance of the racing surface and removal of injured racing animals from the track;

(h) a description of the applicant's marketing, promotion and advertising plans;

(i) a description of the applicant's plan for the conduct of racing, including types of racing, specific dates, number of races per day, post times and special events;

(j) a description of the applicant's plan for purses, including total purses, formula, stakes races and purse-handling procedures;

(k) a statement of the applicant's plan for furnishing the surety bond or other financial security required by K.S.A. 74-8813 (e), as amended by L. 1994, Ch. 146, Sec. 5;

(l) if wagering is to be conducted, a description of the applicant's plan for parimutuel wagering, including the number of line divisions, windows, selling machines and tellers, stating the uses and duties of each, and accounting procedures, stating any internal audit and supervisory controls;

(m) a description of the applicant's plan for concessions, including whether the licensee will operate the concessions and, if not, who will, to the extent known;

(n) a description of the applicant's plan for training its personnel; and

(o) a description of the applicant's plans for compliance with employment laws. (Authorized by K.S.A. 1993 Supp. 74-8804, as amended by L. 1994, Ch. 146, Sec. 3, and K.S.A. 74-8814, as amended by L. 1994, Ch. 146, Sec. 6; implementing K.S.A. 1993 Supp. 74-8804, as amended by L. 1994, Ch. 146, Sec. 3, and K.S.A. 74-8813, as amended by L. 1994, Ch. 146, Sec. 5, and K.S.A. 74-8814, as amended by L. 1994, Ch. 146, Sec. 6; effective Nov. 30, 1992; amended July 10, 1995.)

**112-17-9. Background investigations, fair association and horsemen's nonprofit organization applicants or licensees.** Any entity or individual identified for investigation in these regulations or found to be material to the operation of the race meeting shall submit to a background investigation conducted by the director of security, the director of the Kansas bureau of investigation or any other person designated by the commission. Each individual or entity identified in this regulation shall execute and verify a personal background disclosure form provided by the commission. The level of any background investigation may be designated by the commission. (Authorized by K.S.A. 1993 Supp. 74-8804, as amended by L. 1994, Ch. 146, Sec. 3, and K.S.A. 74-8814, as amended by L. 1994, Ch. 146, Sec. 6; implementing K.S.A. 1993 Supp. 74-8804, as amended by L. 1994, Ch. 146, Sec. 3, and K.S.A. 74-8814, as amended by L. 1994, Ch. 146, Sec. 6; effective Nov. 30, 1992; amended July 10, 1995.)

**112-17-10. Additional information, fair association and horsemen's nonprofit organization applicant or licensee.** Any fair association and horsemen's nonprofit organization applicant or licensee may be required by the commission to submit additional information to facilitate the review

of the initial license application and any subsequent review of a license by the commission. (Authorized by K.S.A. 1993 Supp. 74-8804, as amended by L. 1994, Ch. 146, Sec. 3, and K.S.A. 74-8814, as amended by L. 1994, Ch. 146, Sec. 6; implementing K.S.A. 1993 Supp. 74-8804, as amended by L. 1994, Ch. 146, Sec. 3, and K.S.A. 74-8813, as amended by L. 1994, Ch. 146, Sec. 5, and K.S.A. 74-8814, as amended by L. 1994, Ch. 146, Sec. 6; effective Nov. 30, 1992; amended July 10, 1995.)

**112-17-11. Financial audit, fair association and horsemen's nonprofit organization licensee.** Any fair association or horsemen's nonprofit organization licensee may be required to file a financial audit in accordance with commission direction. If an audit is required by the commission, the licensee shall file the audit on or before 90 days after the end of the licensee's fiscal year. The licensee's audit shall be filed with the executive director at the commission office. (Authorized by K.S.A. 1993 Supp. 74-8804, as amended by L. 1994, Ch. 146, Sec. 3, and K.S.A. 74-8814, as amended by L. 1994, Ch. 146, Sec. 6; implementing K.S.A. 1993 Supp. 74-8804, as amended by L. 1994, Ch. 146, Sec. 3, and K.S.A. 74-8813, as amended by L. 1994, Ch. 146, Sec. 5, and K.S.A. 74-8814, as amended by L. 1994, Ch. 146, Sec. 6; effective Nov. 30, 1992; amended July 10, 1995.)

**112-17-12. Licensee file, fair association and horsemen's nonprofit organization licensee.** (a) If the commission grants an organization license to a fair association or horsemen's nonprofit organization, each exhibit, statement, report, paper or other document submitted in support of the application shall be maintained in the licensee's file in the commission office.

(b) Any change in or supplement to the written or oral information reported to the commission during the period of application or the period of licensure shall be reduced to writing and submitted to the commission office for filing in the licensee file. Each submission shall be made in a timely manner.

(c) At all times, a current copy of the documents supporting the original application and licensee file shall be recorded in the commission office. (Authorized by K.S.A. 1993 Supp. 74-8804, as amended by L. 1994, Ch. 146, Sec. 3, and K.S.A. 74-8814, as amended by L. 1994, Ch. 146, Sec. 6; implementing K.S.A. 1993 Supp. 74-8804, as amended by L. 1994, Ch. 146, Sec. 3, and K.S.A. 74-8814, as amended by L. 1994, Ch. 146, Sec. 6; effective Nov. 30, 1992; amended July 10, 1995.)

**112-17-13. Testing for controlled substances, fair association and horsemen's nonprofit organization licensees.** Any fair association and horsemen's nonprofit organization licensee and any officer, director and employee of the licensee may be required by the commission to submit to tests to determine whether they are users of any controlled substances. (Authorized by K.S.A. 1993 Supp. 74-8804, as amended by L. 1994, Ch. 146, Sec. 3, and K.S.A. 74-8814, as amended by L. 1994, Ch. 146, Sec. 6; implementing K.S.A. 1993 Supp. 74-8804, as amended by L. 1994, Ch. 146, Sec. 3, and K.S.A. 74-8814, as amended by L. 1994, Ch. 146, Sec. 6; effective Nov. 30, 1992; amended July 10, 1995.)

**112-17-14. General regulation, county fair association and horsemen's nonprofit organization license order.** (a) Unless otherwise provided by the commission in its organization license order, each county fair association and horsemen's nonprofit organization licensee shall conduct its race meeting in accordance with commission regulations governing:

(1) occupation licenses;

(2) racetrack officials;
(3) rules of racing;
(4) parimutuel wagering;
(5) animal health;
(6) security and safety;
(7) breed programs;
(8) harness racing; and
(9) simplified hearings.

(b) Any county fair association or horsemen's nonprofit organization licensee may request exceptions from commission regulations. Each request shall be made in writing and addressed to the attention of the executive director at the commission office. Each request shall include a statement identifying each exception requested and, for each exception, the following:

(1) a citation to the specific regulation for which the exception is requested; and

(2) a statement of justification for the request, which details how the exception will facilitate less costly and simplified procedures and requirements for the race meeting as provided in K.S.A. 1991 Supp. 74-8814(c). (Authorized by K.S.A. 1991 Supp. 74-8804, as amended by L. 1992, Ch. 27, Sec. 3, and L. 1992, Ch. 286, Sec. 2, and 74-8814, as amended by L. 1992, Ch. 286, Sec. 6; implementing K.S.A. 1991 Supp. 74-8804, as amended by L. 1992, Ch. 27, Sec. 3, and L. 1992, Ch. 286, Sec. 2, and 74-8814, as amended by L. 1992, Ch. 286, Sec. 6; effective Nov. 30, 1992.)

**112-17-15. Distribution of monies from horse fair racing benefit fund.** The procedure for distributing monies from the horse fair racing benefit fund shall be as follows: (a) Each applicant shall submit an application for funds to the commission which shall include:

(1) the name, address and telephone number of the applicant;

(2) the total amount of funds requested by the applicant, as well as a statement of justification for the request;

(3) the applicant's tax identification number;

(4) the applicant's proposed budget for the race meeting covered by the application;

(5) a detailed narrative, including invoices and receipts, specifically identifying the amount of funds requested by the applicant; and

(6) additional information as requested by the commission.

(b) Monies from the horse fair racing benefit fund shall be expended as follows:

(1) For administrative expenses reimbursable to the commission, which may include:

(A) the cost of stewards, racing judges, and assistant animal health officers performing services at the race meetings conducted by applicant;

(B) travel and lodging expenses of commissioners, commission employees or agents of the commission performing services at race meetings conducted by the applicant;

(C) lab fees; and

(D) such other administrative expenses as may be determined by the commission;

(2) for the cost of totalisator expenses incurred by the applicant;

(3) for the cost of background investigations of members of the applicant as required under the Kansas parimutuel racing act;

(4) for purse supplements at race meetings conducted by the applicant;

(5) for basic operating assistance grants to the applicant as determined by the commission; and

(6) for costs to the applicant for employment of key racing officials, as determined by the commission.

(c) Applications shall be submitted to the commission yearly, no later than December 31st of the calendar year preceding the race meeting for which funds are requested.

(d) Each application shall be reviewed and evaluated by commission staff for the purpose

of making a recommendation to the commission.

(e) Each application shall be evaluated using the following criteria:

(1) The applicant's compliance with K.S.A. 74-8838;

(2) the adequacy of the detail in the application; and

(3) the quality of the justification stated in the application.

(f) Each applicant to whom funds are distributed shall provide audited financial statements within 60 days of the end of its fiscal year, including a statement of revenue and expenditures and a balance sheet. Within 45 days after the close of each race meeting, each applicant receiving funds shall provide payment documentation of the precise expenditures covered by the funds. (Authorized by K.S.A. 1995 Supp. 74-8838; implementing K.S.A. 1995 Supp. 74-8838; effective, T-112-6-29-93, June 29, 1993; effective Sept. 27, 1993; amended July 10, 1995; amended June 21, 1996.)