

**Date: February 21, 2019**

**To: House Committee on Commerce Labor and Economic Development**

**Re: HB 2280 – Proponent**

**Chairman Tarwater and committee members:**

**Jobs are critical to the Kansas economy; help bring horse racing back to the great state of Kansas and grow the agri-economy.**

**What can HB 2280 do:**

**Provide jobs, grow Kansas, increase agri-economy.**

I am Rita Osborn, president of the Kansas Quarter Horse Racing Association, currently an educator of 40+ years, and reside in Eureka, KS. When Eureka, KS is mentioned, it is associated with "The Racing Capital of Kansas." I have been involved in various aspects of the racing industry for 25+ years, ranging from a stall cleaner to General Manager of Eureka Downs.

For many years, horse racing in Kansas was a viable industry that fostered millions of dollars in economic activity while offering Kansans a unique entertainment option. That ended in 2007 when the Kansas legislature made detrimental changes to how the horse racing industry was taxed, increasing the tax at facilities to 40 percent. This oppressive tax rendered operators incapable of survival.

That same year, the legislature approved destination casinos, but set their tax rate significantly below the horse racing industry's rate. Rather than 40 percent, destination casinos are paying 22 percent.

The absence of horse racing in Kansas has forced this lucrative industry to invest its dollars outside of the state. Whereas we've closed the doors on the industry in Kansas, our neighbors in Oklahoma are operating a booming business that supports 35,070 jobs and nets \$100 million in state and local taxes annually.

Today you'll find Kansas-owned racehorses competing across the continental United States, from California to Florida. But, while there was once 7,500 head of racehorse stock registered in the Kansas Bred Racing Program, very few have been registered since the race tracks closed in 2008.

**We have the opportunity to bring horse racing back to Kansas by supporting HB 2280. It's imperative we urge the Kansas legislature to level the playing field and enable the profitability of Kansas horse racing facilities. It's not a difficult fix.**

**By reducing the tax rate from 40 percent to the 22 percent currently levied for state gaming facilities, the state can reignite a profitable industry that creates jobs in multiple businesses, from grain and hay producers, veterinary services, jockeys, paddock assistants, gate crews, track maintenance employees, trainers, truck and trailer providers, and so much more.**

**Horse racing is an awe-inspiring sport enjoyed by Kansans. It's time we bring it back to our great state. Support HB 2280 and believe it's better to tax it at a reasonable 22 percent.**

**Respectfully**

**Rita Osborn  
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