

Approved _____

2/11/88
Date

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS

The meeting was called to order by Senator Edward F. Reilly, Jr. at _____
Chairperson

11:00 a.m./~~p.m.~~ on January 21, 1988 in room 254-E of the Capitol.

All members were present except:

Senator Arasmith was excused.

Committee staff present:

Mary Galligan, Legislative Research
Mary Torrence, Assistant Revisor of Statutes
June Windscheffel, Committee Secretary

Conferees appearing before the committee:

Secretary Harland Priddle, Department of Commerce
Mr. Larry Montgomery, Executive Director, The Kansas Lottery
Mr. Bill Brundage, President, Kansas Technology Enterprise
The Reverend Richard Taylor, Kansans for Life at Its Best
Mr. Jon Brax, Kansans for Life at Its Best
Mrs. Frances Wood, Topeka, Capital City Women's Christian Temperance Union (WCTU)

The Chairman announced that the Committee would hear testimony concerning the multi-state lottery bill. The first conferee was Mr. Larry Montgomery, Executive Director, of The Kansas Lottery. A copy of the bill draft (7 RS 1946, Attachment #2 from the Minutes of January 20, 1988, as amended in the motion by Senator Morris) was before the Committee. Mr. Montgomery appeared before the Committee. He said that no other state in the nation had ever had the legislation to negotiate in the multi-state. Every other state had to go back to get it into the law. That is a significant fact.

When The Kansas Lottery did its research of the sister states, the objective was to take a look at the scenario and produce more revenue for economic development, to alleviate the crowding in prisons and to send the money back to each of our counties for the cost of reappraisal. They knew that half the players wanted small winners, and half wanted big winners. Entry into the multi-state does provide a jurisdiction about the size of Illinois, and there they have gotten up to about \$4 million. This is the first opportunity any state in the midwest would have to reach those very large jackpots in starting up their games.

The next conferee was Secretary Harland Priddle, of the Department of Commerce. He addressed the need to continue the momentum of the lottery in Kansas, and to allow Kansans to participate in the numbers involved in the multi-state that doing it singly would not permit. This would generate an ongoing program with momentum.

Mr. Bill Brundage, President of Kansas Technology Enterprise spoke in support of the bill.

The Reverend Richard Taylor was the next conferee. The Reverend Taylor spoke in opposition to the multi-state, and a copy of his statement is attached to these Minutes. (Attachment #1)

The next conferee was Mr. Jon Brax, also of Kansans for Life at Its Best, who also spoke in opposition. (Attachment #2)

Mrs. Frances Wood, of Topeka, representing the Capital City Women's Christian Temperance Union, was the next speaker. Mrs. Wood also expressed her opposition to the matter.

The Chairman thanked all the conferees for appearing.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS,
room 254-E, Statehouse, at 11:00 a.m. ~~xxx~~ on January 21, 1988.

Then the Committee asked questions of Mr. Montgomery. The Chairman asked if it were the consensus of the Committee to amend the contract in any way, what would be the impact. Mr. Montgomery said to amend the contract would create a difficult position for the lottery. They would have to go back to the states who have already signed and approved their contracts. The Chairman asked the number of states who have simultaneous instant games and on line games. Mr. Montgomery said there would be Kansas plus two. The conferee was asked by the Chairman what, in his opinion, impact would there be in the running of simultaneous games. Could it dilute the number of people playing the games. Mr. Montgomery said when you have alternate products to present to the public it expands and increases that opportunity.

Mr. Montgomery was asked by the Chairman if his staff had looked into the liability to the State of Kansas if the Legislature does not ratify. Mr. Montgomery said one way to withdraw is because of statutory denial. He said we would have the \$165,000 contributed for our portion of administration for multi-state. The most financial cost to the state would be in not having the revenues that are projected to come.

The Chairman asked if as far as any potential liability if the state would be held accountable by being sued by one of the other states. The Director said he did not think the state would be held accountable. However, he said a problem is created for the multi-state, because the two and half million population (2,500,000) of our state was considered in the design of the game. He said if we were to withdraw it would be just the Kansas game instead of the multi-state.

A member said it seems that the multi-state lottery board and the executive committee are one and the same. Mr. Montgomery explained that is the way they are in the contract, the way it is written. At the last meeting the D.C. person suggested there were only two members who were not involved, and that they be given a place on the executive committee.

The member was puzzled about the statement on page 8, "not allocated.... and generate it within....shall remain in the lottery...."

Mr. Montgomery said Kansas' operating costs have already been sent to MUSL in Des Moines. The operations costs on the price side. Then he explains the fourth, third, and second tier of the multi-state. Jackpot prizes will either go to MUSL or out to a state that has a jackpot prize winner. Just the jackpot prize. Everything else stays in each state. He said that Kansas fulfills its statutory responsibility under multi-state just like its own state lottery. The member asked if each lottery furnishes money for its members to attend the meetings, and the Director said that was correct.

The Chairman said that the State had made a loan to the lottery. He asked if it had been repaid. Mr. Montgomery said it had not been. It could have been repaid, but was not because of discussions with the Budget Director. There are two sets of circumstances. There was discussion concerning the budget. Also the state water plan. The Director said 60% was for economic development. 30% is counties and 10% is for the juvenile facilities and prisons. He talked about the calculations of the Budget Director.

The Chairman said if the lottery is going to follow the recommendation for the four and half million dollars (\$4,500,000) to be paid out of the lottery, that is in addition to what has been committed to appraisal, the juveniles and prisons. The Director said we have to find a way to sell our product, to diminish administrative costs and show more profit.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS,

room 254-E, Statehouse, at 11:00 a.m. ~~XXX~~
~~XXXX~~ on January 21, 1988.

The Chairman said that would conclude the hearings and asked what was the pleasure of the Committee. Senator Strick moved that the bill be recommended favorable for passage. The motion was seconded by Senator Bond. Senator Anderson voted "pass." Senator Daniels voted "no." The motion carried.

A copy of the letter from the Chairman of the Kansas Racing Commission (see Minutes of January 20, 1988, Attachment #6) was referred to by the Chairman.

A copy of an editorial from The Leavenworth Times, (Attachment #3), "Still fighting lottery" was called to the Committee's attention.

The meeting was adjourned at noon.

One year ago when the Attorney General's opinion on multistate lotto required the legislature to "approve such a contract," I knew that would give concerned lawmakers an opportunity to reject such a gambling activity which does more damage to poor people than is inflicted upon them with lottery tickets or a state lotto.

Then on January 12, this year, I saw the headlines in the Topeka Capital-Journal, KANSANS TO HAVE SHOT AT BIG JACKPOTS FEB. 3. I called a reporter friend and asked if I had missed something early in the session, did the legislature approve the contract? He did not know of such a measure and said lottery officials believed they had carte blanche authority to enter the multistate lottery.

I then wrote the attached letter of January 14, hand delivered it to the Attorney General's office and gave copies to the new media.

I hope no one will object to this moment of personal reminiscing. Yesterday I sat in this room in awe, realizing that my memory of an AG opinion issued a year ago could have the power to assemble such an august congregation that included the Attorney General of Kansas, the Treasurer of Kansas, all the top lottery officials of Kansas, and could cause this Committee to move at such a breathtaking pace. It came as a surprise that one common citizen had temporarily halted the rich and powerful State Lottery steamrolling juggernaut in its tracks.

Kansas Bureau of Investigation Director, Thomas Kelly, in his 1981 report of THE IMPACT OF PARI-MUTUEL WAGERING ON LAW ENFORCEMENT, quoted from an Illinois Legislative Investigating Commission Report, ". . . when the state participates in an activity which is otherwise criminal in nature, . . ."

Gambling is an activity criminal in nature. Organized crime has used that activity for years to promote their economic development. How sad it is that Kansas now depends on this same activity.

Get something without earning it - that is the motive for shoplifting, a criminal activity.

Get something without earning it - that is the reason banks are robbed, a criminal activity.

Get something without earning it - that is why people play the lottery, an activity which is otherwise criminal in nature.

Lottery gambling is a license for the public to steal from each other, for the state to steal from the public, and for lottery vendors and officials to get richer as the public loses more.

The jackpot winner has not earned the money, has performed no deed of valor to receive a reward, did not stumble upon buried treasure.

Senate FSA
1/21/88
Attachment #1

The losers did not gladly give it to the winner. Some cry because they lost. Their motive for buying tickets was to take money from other players.

Gambling promoters take great delight in thinking about the publicity that would result if I won the lottery.

I will not gamble away dollars on the lottery for fear of winning. If I won, I would be taking dollars from thousands and thousands of poor people who should have never bought lottery tickets.

If only rich people played the lottery, I might buy a ticket. But stealing from the rich is really just as bad as stealing from the poor, so it is safe to say I'll never buy a ticket.

The news media report on the Kansas Lottery poll does not tell us the income level relative to the number of tickets purchased. What was the annual income of persons in that 40% group spending \$10 to \$12 weekly? What was the annual income of persons in the 5% group that spend more than \$12 a week? What was the top weekly expenditures of persons and their income level?

The CALIFORNIA POLL asked important questions. It is a much larger bite out of income for a person making less than \$15,000 a year to spend \$21 to \$100 for lottery tickets than it is for a person making \$50,000 to buy that same number of tickets. For the poor person, it is bread and milk and shoes. For the rich person, it is some gasoline for his Lincoln Continental.

Kansas does not have enough population to pay all the dollars needed to produce unbelievable large lotto jackpots that attract lots of gamblers. Multistate lotto provides this large population base, causing the odds to be out of sight. But poor people see only the prize. They think nothing of the odds as they lose \$10 a week and more. They do not understand that millions and millions of people must lose a lot if jackpots are large.

If the joint state lotto agreement is rejected by the legislature, lottery ticket sales will continue and there can be a Kansas only lotto. This will please those in your District who voted YES on the lottery gambling amendment.

Kansas City Star, February 16, 1986

Lottery tears

I "joined the crowd" in a small way. I couldn't afford to gamble very much, so when I went to the grocery store I would get one ticket. Losing one dollar wasn't too bad, but that dollar would have bought some food.

Coming out of the store, a young woman was parked beside my car. I noticed she had quite a number of tickets, and I watched her scratch her tickets. Tears started down her cheeks and she laid her head on the steering wheel and cried! This meant she didn't have a winner, but, more important, had probably spent money she could not afford and needed for other things.

If the joint state lotto agreement is rejected by the legislature, concerned citizens will be thankful that increased suffering will not be inflicted on the poor by the multi-million dollar jackpots with odds that are beyond comprehension. This will please those in your District who voted NO and many who now regret voting YES. Even if a majority in your District may have voted YES, please remember the thousands who voted NO.

When gambling promoters claim lottery is the will of the people, they need to be reminded that lottery was approved because voters believed the revenue would reduce property taxes, help teacher salaries, and build highways. Lottery gambling will do none of those things.

YES, a majority of voters approved a constitutional amendment for a "state-owned and operated lottery." But Kansas will not own Lotto America. The management and control shall not "rest solely with the Kansas Lottery," as HB 2043 of last year requires. For these reasons alone you ought to vote NO on this multistate contract.

Why are some lawmakers dedicated to voting for everything that can be done to make the lottery a big success? A lottery depends on losers. The bigger the success, the larger the number of losers. Let gambling promoters be satisfied with lottery ticket sales and a Kansas lotto. Aren't the poor being hurt enough already? Lottery is many times more regressive than a sales tax. The bigger the success, the more money there is for G-tech (Gambling Technology), for TV advertising, for ticket printers and salaries for lottery officials.

Some lawmakers say they must vote YES because 2/3rds of Kansas voters approved lottery gambling. If put to a vote, probably more than 2/3rds of Kansas voters would approve of eliminating all taxes. You were elected to use good judgement.

People voted for the sale of lottery tickets. They did not vote for Lotto America. Lawmakers who vote NO on multistate gambling will be supported next November by concerned citizens.

More people will lose more dollars with multistate lotto computer gambling than is now lost with lottery ticket gambling.

Do you want more poor people to be hurt more?

Do you want more compulsive gamblers in Kansas?

If no, vote no.

*Respectfully yours
Richard Taylor*

"There would seem to be an inconsistency in demands for consumer protection agencies, coupled with demands for legalized gambling. As professor Irving Kristol pointed out on this page several months ago, gambling is 'technically a swindle: the payoffs on bets must be less than fair, and the overwhelming majority of the "investors" must eventually lose their money, if the gambling enterprise is to survive and prosper.' Therefore, he noted, the case for legalized gambling is 'simply an argument in favor of the government raising revenues by swindling its citizens rather than by taxing them.'"

GAMBLING AND THE GOVERNMENT, The Wall Street Journal

If playing the lottery is such a good deal, why doesn't the State of Kansas use idle funds and buy all 16 million tickets that were printed for the second game and win all the prizes! If the state bought all 16 million tickets, lottery gambling promoters would claim the state "won" \$7.2 million (45% of sales). An intelligent person would say the state lost \$8.8 million (55% of sales)! Concerned persons are ashamed that their state is now in the business of swindling its own citizens.

I could have kept quiet on this Attorney General's opinion of a year ago. I could have raised the issue in March or after the legislature adjourned. Lottery people ought to thank me for asking the question soon as I learned they had not requested the needed legislation.

CALIFORNIA POLL of the California Lottery - November 1985

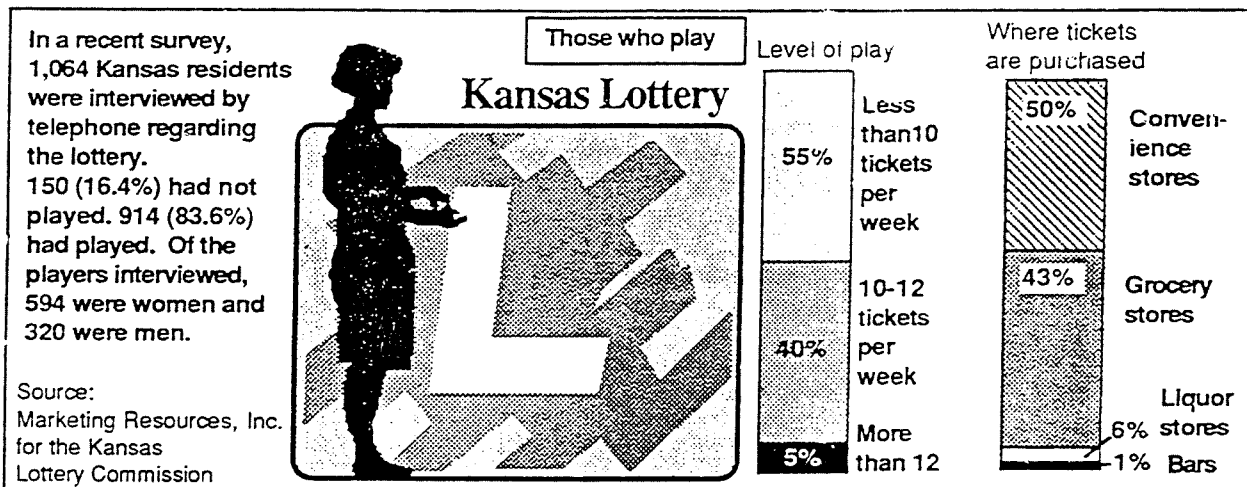
Income	During first month	1-9 tickets	10-20 tickets	21-100 and more
	Non players (30%)	Light players (26%)	Moderate players (26%)	Heavy players (18%)
Up to \$15,000	14%	12%	18%	24%
\$50,000 or more	30%	14%	22%	13%

If the Kansas Lottery wanted to give the public the facts, they would have listed income level for the 55%, 40%, and 5% of those who buy the tickets.

The California Poll found, "A disproportionate share of HEAVY state lottery players are poor, under-educated and members of minority groups."

The Kansas Lottery would have found the same thing had they asked the right questions. (Did they pay \$40,000 for this poll?)

14 Topeka Capital-Journal, Wednesday, January 6, 1988



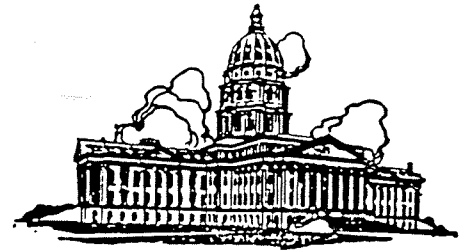
Staff/Pat Marrin

KANSANS FOF E AT ITS BEST!

Rev. Richard Taylor, Box 888, , Kansas 66601

Phone (913) 235-1866 Office 1273 Harrison
(3 Blocks South of Statehouse)

January 14, 1988



A Proud Land

Attorney General Robert T. Stephan
Kansas Judicial Center
Topeka, Kansas 66612

Dear Attorney General Stephan,

We continue to be concerned about commercial gambling that victimizes the poor. Nationwide, informed persons know the poor spend a larger percentage of their income on lottery. Lottery tickets do enough damage, but lotto gambling with its multi-million dollar jackpots will hurt even more. Poor people see only the size of the advertised prize. They never give thought to the odds that are staggering, and so they gamble away many dollars daily.

We agree with lawyers who say Kansas, like Missouri, can not enter into a multi-state lottery because of what the constitutional amendment states.

Voters approved an amendment providing "for a state-owned and operated lottery." Voters did not approve "agreements with one or more other states for the operation . . . of a joint lottery." A joint lottery will not be owned by Kansas and the management and control shall not "rest solely with the Kansas lottery." (Quotes from HB 2043)

We have your opinion number 87-16 declaring multi-state lotteries legal for Kansas to join. That opinion stated "the legislature can delegate to an agency the powers to negotiate a contract between this state and another, but the legislature itself must approve such a contract."

HB 2043 did delegate to the lottery commission the power to negotiate a multi-state lottery contract, but has the legislature itself approved that contract?

We hope concerned citizens who have seen enough poor people losing a lot of money on lottery gambling will contact their Representatives and Senators in Topeka and ask them to not approve the contract negotiated by the lottery commission for this multi-state gambling activity. Multi-state gambling will cause the poor to be hurt even more than they have been hurt with current lottery tickets.

Respectfully yours,

A handwritten signature in cursive script that reads "Richard Taylor". The signature is written in dark ink and is positioned above the typed name.

Rev. Richard E. Taylor, Jr.

RET:lb

"Of our political revolution of 1776 we are all justly proud," said Abraham Lincoln on Washington's birthday in 1842. He went on to say "how proud the title of that land" where persons declare their freedom from alcoholic beverages because they "shall find a stronger bondage broken, a viler slavery manumitted, a greater tyrant deposed. . . perfect liberty!" With per-person consumption at nearly half the national average, thousands of Kansans enjoy that perfect liberty. Concerned users and non-users are united in this R-E-A-L effort to prevent alcoholism, highway tragedy, and other suffering caused by our most abused recreational drug.

Rehabilitation -- Help alcohol-dependent persons adjust to life without the drug.

Education -- Inform children, youth & adults of effect of alcohol on mind & body.

Amount -- Encourage persons to be non-users and encourage users to use less.

Law -- Pass and enforce laws that reduce consumption and suffering.

State's poor play game of desperation

By Diane Silver
and Sharon Hamric
Staff writers

TOPEKA — Kansans may have entered only the third week of the lottery, but those who sell tickets at the 2,800 retailers across the state know the look of the desperate.

They buy groceries with food stamps and then use the change for lottery tickets. They pawn their screws for \$20 and then take \$1 or \$2 from the proceeds and hand it back to the pawnshop clerk for tickets. Sometimes, they bring in \$20, \$30 or \$50 and walk out with pockets full of losing tickets.

No one knows how many of the state's poor are spending money they cannot afford on the dream of striking it rich. The Kansas Lottery will not start its first study to determine who is playing the game until next week.

But social workers and lottery retailers agreed that some Kansans are gambling away the dollars they need for necessities.

"The dream of getting rich with just a \$1 bill is too much for most people," said Maj. Harry Brocksieck of the Salvation Army in Wichita. "The poor, who think all they need is money, will fall into that trap very easily."

SANDRA PARKER of United Methodist Urban Ministries in Wichita said, "So many of them have so little hope."

Lottery Executive Director Larry Montgomery acknowledged that some Kansans who cannot afford them may be buying tickets.

"Unfortunately, there are always going to be people who buy something they shouldn't buy," he said. "You know that is unfortunate. I honestly don't know how you control that."

Dawn Bradshaw, assistant manager of the Kwik Shop at 3601 E. 47th South in Wichita, talked about her regulars. One is a man who spends \$21 a day. Another is a woman who has bought as many as 50 lottery tickets at a time.

"This man looks like he doesn't have much money, but maybe he thinks he'll get rich in the lottery," she said. "He'll buy 21 tickets, then take 'em out to his car and scratch 'em off, then come back in and get what he won, then go back out and scratch 'em again."



Brocksieck ... "The dream of getting rich with just a \$1 bill is too much for most people."

SHE SAID a bedraggled, long-haired woman comes into the store every afternoon and writes a check for \$40 to \$50 in lottery tickets. Bradshaw does not remember the woman winning a penny.

Three convenience store clerks in southeast Wichita said they repeatedly resist the impulse to discourage low-income customers from buying lottery tickets.

"You'd get chewed out if you said anything like that to a customer," said one clerk. "But when you see them pull the money out of their pockets, and you see the food stamps there, too, you know they need other things a lot more than they need lottery tickets."

Another clerk said it unsettled his conscience to sell lottery tickets to customers who bought groceries with food stamps, then saved the change to buy cigarettes or lottery tickets.

The assistant manager of another store said that a customer he knew to be unemployed and on welfare had spent between \$50 and \$70 on lottery tickets in a single night.

Sales figures also show that the lottery quickly has become a popular game in neighborhoods that are known for high unemployment.

LIZ SLOAN described her customers at Sloan's Retail Liquor in Topeka as a mix of people with low incomes or on welfare. In the first three days of the lottery, she sold 1,500 tickets. In the next week, she sold another 2,000 tickets before she ran out. Across 10th Street at Wayne's Thrift Mart convenience store, the clerks have sold 20,000 tickets.

Several blocks away on a run-down part of 6th Street, a steady stream of people tote in stereos, televisions, handguns, power tools and other items they think might have value. Each walks away from the pawnshop with a loan of \$20 or \$25.

Perhaps as many as 10 percent of those people use some of their loan money to buy tickets, said Steve Ewing, a department manager for the pawn shop.

There is only a 1-in-180,000 chance of winning the \$5,000 instant prize in the Kansas Lottery's current Up and Away game.

Pushed by advertising that promises Kansans they can "Scratch It Rich," the lottery pulls in poor players who are searching desperately for ways out of their situations, social workers said.

But the truth is that very few lottery players ever strike it rich, according to statisticians.

There is only a 1-in-180,000 chance of winning the \$5,000 instant prize in the Kansas Lottery's current Up and Away game. The odds are one in 18,000 of winning \$500.

"If we had truth in advertising, the lottery couldn't say Scratch It Rich. They would have to say, Scratch It Rich and Lose All You've Got," said the Rev. Richard Taylor, leader of the anti-gambling group, Kansans For Life At Its Best.

Large numbers of people must regularly lose money to generate enough revenue to pay for the salaries of lottery officials and the other costs of running the lottery, Taylor said.

THE LOTTERY is not out to hurt anyone, Montgomery said. But the agency is trying to follow the will of the two-thirds of Kansas voters who cast their ballots for the lottery a year ago, he said. The goal is to run a clean game that raises money for the state and

provides people with entertainment, he said.

Thirty cents out of every ticket dollar goes to economic development, reappraisal costs and prison construction.

While some people may be gambling too much on the lottery, many others say they know they can't afford to play it. Some are like Ramon Perez, 40, who installs

mufflers at Little Giant Muffler & Brake on East Pawnee in Wichita. Perez grew up in Chicago where his parents were on welfare during part of his childhood.

"I've worked hard all my life," he said. "When I see somebody pay \$1 for a lottery ticket, I think that with that \$1 they could put a gallon of gas in the car, or buy bread or milk."

Who's Playing The Lottery

By Steve Wiegand
Chronicle Correspondent

Sacramento

A disproportionate share of "heavy" state lottery players are poor, under-educated and members of minority groups, according to a new California Poll released yesterday.

In a survey taken between November 18 and December 2, the poll found that 24 percent of respon-

CALIFORNIA POLL

dents described as "heavy players" — those who have bought more than 20 tickets — made less than \$15,000 a year.

Forty percent were members of minority groups and 19 percent had not graduated from high school.

In contrast, the survey found that only 14 percent of those who said they had never played the lottery made less than \$15,000 a year, 85 percent had at least a high school education and 84 percent were white.

The poll also found that although a staggering 70 percent of all California adults, or about 13 million people, have played the lottery, 18 percent of the players bought 71 percent of the tickets.

"In the history of American marketing, according to many experts, no other service or product, government or private, has ever come close to having as many as 70 percent of such a large population of people pay money to voluntarily participate in such a short period of time," said poll director Mervin Field.

The survey represents some sobering news for the lottery, which has sold more than 650 million \$1 tickets since it began October 3.

The finding that most of the tickets are being bought by a relatively small percentage of the players could mean a sharp drop in sales as the novelty wears off. The poll found that 30 percent had bought no tickets, and 26 percent had bought less than 10.

The results also added weight to the arguments of lottery critics that the game is played mostly by those who can least afford to play it.

"What is happening is exactly what those of us who opposed the lottery said would take place," said Bishop Jack M. Tuell, leader of the Los Angeles area United Methodist Church and chairman of a group that opposed the lottery initiative last year. "It confirms our statements about where the money was going to come from."

Field said the percentage of heavy players from among poor and minority groups could be even larger, since the survey did not include "unreachable" members of the public, such as transients, illegal aliens who would be suspicious of poll takers and people who do not have telephones.

Lottery director Mark Michaliko, who has disputed suggestions that the lottery is a poor man's game, said yesterday he would withhold comment on the poll until the lottery's own survey was available, probably in the next two weeks.

Other California Poll results found:

■ 75 percent believe the lottery will provide a lot more money to California schools.

■ 60 percent do not believe that the lottery will eventually be linked with organized crime, and 70 percent do not believe that the lottery will coax people to other forms of gambling.

■ 55 percent think the state shouldn't be spending advertising dollars to push the lottery.

■ 52 percent think the lottery is a chance for the average person to get rich quick.

Have bought lottery ticket(s)	
1-3 tickets	11%
4-9 tickets	15
10-20 tickets	26
21-49 tickets	11
50-99 tickets	4
100 or more tickets	3
Have not bought a ticket	30

30 Non-players (30%)
26 Light players (26%)
26 Moderate players (26%)
18 Heavy players (18%)

	Non-players (30%)	Light players (26%)	Moderate players (26%)	Heavy players (18%)
INCOME				
Under \$7000	4%	5%	5%	11%
\$7000-14,999	10	7	13	13
\$15,000-24,999	11	30	18	18
\$25,000-29,999	13	17	16	15
\$30,000-39,999	19	17	18	18
\$40,000-49,999	13	10	8	12
\$50,000 or more	30	14	22	13
EDUCATION				
Less than high school	7%	6%	4%	19%
High school graduate	15	23	28	25
Some college/trade school	35	41	41	41

	Non-players (30%)	Light players (26%)	Moderate players (26%)	Heavy players (18%)
College graduate	17	14	15	9
Postgraduate training	26	16	12	6
ETHNICITY				
White (non-Hispanic)	84%	76%	75%	60%
Hispanic	5	11	13	22
Black	5	10	9	9
Asian	5	2	2	5
Other	1	1	1	4
SEX				
Male	47%	42%	47%	66%
Female	53	58	53	34

Good morning. My purpose in testifying this morning is to ask you to defeat this bill, not approve the contract and prevent Kansas participation in a multi-state lottery. As I read my testimony I ask that you keep in mind the fact that the criticisms I will express are based on a single state lottery. However, with a multi-state lottery the negative consequences would be multiplied by seven. Quite simply, the multi-state lottery will require seven times the number of losers.

To get a better grip on this issue I'd like to propose four questions.

Question 1: What are the repercussions of an enlarged lottery?

As I stated earlier and was stated in previous testimony, the larger jackpots of a multi-state lottery require more people to lose. Often, the people who lose are those who can least afford to gamble. It is my belief that when faced with the possibility of a multi-million dollar jackpot, people would not realize how astronomically large the odds are against them. In a Wall Street Journal Editorial, Herbert Kahn, president of a marketing company in Weston, Massachusetts said, "In order to attract financially unsophisticated people to the lottery, the state misrepresents the winnings in almost exactly the same way finance companies used to do before the Truth-in-Lending law. It is ironic that today not even the sleaziest money lender is permitted to do things that state lotteries do as a matter of routine." This criticism refers to large prizes paid in installments over a period of time - large prizes which are characteristic of multi-state Lotto games.

Question 2: What is the motivation behind a larger lottery?

We've heard advocates of the Lottery say that the multi-state lottery is targeted at a different type of player. A 1983 Denver Post editorial reports G. Robert Blakey's perception of this dangerous philosophy. The Post stated that:

"Blakey described that phase (meaning on-line gambling) as one in which greedy states, no longer satisfied to cater to existing gamblers, 'create markets for the lottery.

'The bureaucracies which administer and advertise the lotteries have a vested interest in their success . . . Raising money has become the paramount government concern with respect to lotteries. Patrons of illegal games apparently cannot be enticed in great numbers to play the government's game, so the government must find customers who will.

The editorial goes on to state, "But the moral issue isn't whether the state permits gambling, but whether it actively promotes it."

A THIRD QUESTION to be raised is whether involvement in yet a larger lottery open the doors to even more gambling in Kansas.

Again to quote from the Denver Post article,

"How can voters be told convincingly that casino gambling is wrong, when its only real difference from the state run game is that casinos give players much better odds."

I'd like to close with a FOURTH QUESTION. Granted, the lottery amendment passed by a majority vote of the people, but wasn't it also a vote of the people that elected you to the office in which you serve their best interests? With that thought in mind I urge you to defeat this measure.

Senate FSA
1/21/88
Attachment #2

Editorial/Opinion

Still fighting lottery

The Rev. Richard Taylor of "Kansans for Life at Its Best!" continues to fight the Kansas Lottery, even though 70 percent of the Kansas voters favored the constitutional amendment two years ago. His latest salvo involves the multi-state lotto game, scheduled to begin Feb. 3.

Taylor asked for and received an attorney general's opinion which states that the Legislature must pass enabling legislation to enter into the compact which permits Kansas to participate in the multi-state lotto game. So even though the Kansas Lottery Commission approved the lotto contract, the Legislature must scramble to quickly pass a bill endorsing that contract. Taylor is lobbying against it, asking Kansans to write letters in opposition to their legislators. In a letter sent to Kansas editors Taylor urges people to "Ask them (lawmakers) to vote NO on multi-state lotto gambling. Remind

lawmakers that thousands in their district voted NO, even if a majority may have voted YES."

Taylor is unwilling to let the majority rule. He continues to fight the will of the majority on the lottery issue. He maintains that Kansans did not know what they were voting for and that the promised lottery revenue is not coming in.

If Kansans who supported the lottery become disillusioned with it, if they feel that it is not being run properly or that they are not getting what they voted for, they will quit playing the game. No one forces anyone to buy lottery tickets and no one will be forced to play the multi-state lottery game, if we eventually have one.

It is time for Taylor's vocal minority to step aside and quit trying to block the will of the majority. His continued protests are taking up valuable time which the Legislature should be spending on other issues.

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