

Approved: 4-26-96
Date

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS.

The meeting was called to order by Senator Lana Oleen at 11:10 a.m. on February 26, 1996 in Room 313-S of the Capitol.

Members present were: Senator Oleen, Chair
Senator Tillotson, Vice Chair
Senator Jones, Ranking Minority Member
Senator Gooch
Senator Hensley
Senator Jordan
Senator Papay
Senator Praeger
Senator Ramirez
Senator Vidricksen
Senator Walker

Members not present:

Committee staff present: Mary Galligan, Legislative Research
Mary Torrence, Revisor
Nancy Wolff, Committee Secretary

Conferees appearing before the committee:

Brent Anderson, Counsel to Governor Graves
Steve Montgomery, Kansas Greyhound Kennel Owners
Jim Edwards, Kansas Chamber of Commerce and Industry
Lionel Alford, Chairman and CEO of Alford, Inc.
Glenn O. Thompson, Stand Up For Kansas
Bill Morris, Wichita
Conrad Miller, Jr., Kansas Bowling Proprietors

Others attending meeting: See attached list

Hearings were scheduled on **SCR1621** which would provide for a Constitutional Amendment to allow for state-owned and operated lottery to contract with bona fide nonprofit organizations to operate or conduct electronic gambling machines at certain locations in the state and **SB712** which would provide the enabling legislation for **SCR1621**.

Brent Anderson, Counsel to Governor Graves, testified in support of the legislation (Attachment 1). Steve Montgomery testified on behalf of the Kansas Greyhound Kennel Owners as a proponent (Attachment 2). Jim Edwards, on behalf of the Kansas Chamber of Commerce and Industry, testified in support of the bills (Attachment 3). The written testimony of Lynda S. Wilkinson, President of the Pittsburg Area Chamber of Commerce (Attachment 4) and Roger and Darla Winfrey (Attachment 5) were presented in support of the legislation. There being no other testimony in support of the bill at this time, the testimony was heard from the opposition.

Lionel Alford, Chairman and CEO of Alford, Inc., testified in opposition to the bills (Attachment 6). Stand Up For Kansas was represented by Glenn O. Thompson, who testified against the legislation (Attachment 7). Mr. Thompson also presented written testimony in opposition to the bills from Martin K. Eby, Jr., Chairman of the Board of Martin K. Eby construction Co., Inc. (Attachment 8) and Preston Huston, chief executive officer of Associated Advertising Agency (Attachment 9). Bill Morris of Wichita, testified against the legislation (Attachment 10). Conrad Miller, Jr., on behalf of the Kansas Bowling Proprietors, testified in opposition to the bills (Attachment 11).

There being no other business, the meeting was adjourned at 12:00 noon.

FEDERAL & STATE AFFAIRS COMMITTEE
GUEST LIST

DATE: 2-26-96
11:00 a.m.

NAME	REPRESENTING
Dave Schneider	Kansans For Life At Its Best
Glen Callow	Kansans For Life at its best
Wayne Stringer	Anti Gambling groups
Robert Schilling	" " "
Steve Montgomery	Ks. Greyhound Kennel/Owners' Assoc.
Leon Gregory	Gregory Inc
Till Morris	STAND UP FOR KANSAS
Lionel D. Altford	STAND UP FOR KANSAS (IND.)
Dick Kelsey	Kansas Association of Evangelicals
Carole Byrne	KADACA / Ks. Alliance of Alcohol / Drug Service Inc.
Melinda, Michael, Monica, Helmer	Anti Gambling
William Cheatham	Anti Gambling
Richard Miller	Anti Gambling
Roy Knapp	ANTI GAMBLING
Judy D. Snapp	Anti-Gambling - First Bapt. Shawnee
Glenda Ryan	Concerned Women for America
Cathy Holthaus	Citizen
Judy Smith	Citizen
Shae Hoffman	Citizen
Wanda Hankins	Citizen
Marjorie Johnson	city of K.C.Ks.
Gathy Waffer	city of K.C.Ks.
Myron C. Kirk	Racing Commission
Jerry S. Hamblin	Racing Commission / Atty Gen's
Tom Bruno	Allen + Assoc.
Tom Burgess	Sunflower
JOHN BOTTENBERG	WGP

FEDERAL & STATE AFFAIRS COMMITTEE
GUEST LIST

DATE: 2-26-96
11:00 a.m.

NAME	REPRESENTING
Greg Ziemek	Kansas Lottery
Natalie B. O'Keefe	State Gaming Agency
Allen Jones	SLA
Joe Berger	SUN FLOWER CLUB ASS.
Glen D. Thompson	Stand Up For KANSAS
Bethie Thompson	" " " "
Jelen Stout	Ks Greyhound Assoc.
Donnie Boyer	Ks Greyhound Ass.

FEDERAL & STATE AFFAIRS COMMITTEE
GUEST LIST

DATE: 2-26-96
11:00 a.m.

NAME	REPRESENTING
Frances Wood	woman's Christian Temperance Union
Carol McDowell	Kansas Coming Partners
Connie Revell	Pat Hubbell Assoc
Mr. Wm. Bruce Freeman	K.T.A.
Walter Freeman	K.T.A.
Joan Freeman	K.T.A.
Richard Turpin	Ks. THOROUGHBRED Assoc
Mark Ruhl	The Woodlands
Joe Wiggins	The Woodlands -
Jim DeHoff	KS AFL-CIO
Jim Edwards	KCCI
Bruce Rimbo	The Woodlands
Toy BERGER	Wichita Creyland Park
Bob Oakson	KTA
Jack Foster	KTA
Charles E. Dehly	KQHA
Donna Hilliard	KQHRA
Randy Schuler	Sportview TV
Medi Beck	Kansans for Pari-Mutuel
Cheryl Henney	Woodlands Employee
Kevin Patten	Sportview TV
Dail E. B.	The Woodlands
JAMES CONARD	FIRST BAPTIST CHURCH OF Shawnee, KS
Andrew Conard	" " " " " "
Christine Conard	" " " " " "
Rosemary Davidson	" " " " " "
Roy B. Burt	my self

STATE OF KANSAS

BILL GRAVES, Governor
State Capitol, 2nd Floor
Topeka, Kansas 66612-1590



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FAX: (913) 296-7973

OFFICE OF THE GOVERNOR

**TESTIMONY SUBMITTED
TO THE SENATE FEDERAL AND STATE AFFAIRS COMMITTEE
IN SUPPORT OF SENATE CONCURRENT RESOLUTION 1621
BY GOVERNOR BILL GRAVES
ON MONDAY, FEBRUARY 26, 1996**

Thank you, Madam Chair, for this opportunity to urge the Legislature to let the voters of Kansas decide whether to expand opportunities for gaming in this state.

As you know, I am no fan of gambling, whether it be bingo, the lottery, parimutuel or full-blown casinos. I was surprised when this Legislature last year rushed to get the issue of pull-tab bingo on the ballot, but the voters voted and the issue was decided. If the issue of pull-tab bingo is important enough to be placed on the ballot in the form of a constitutional amendment, surely the decision of whether to allow electronic games of chance at limited locations in this state is, too.

Some issues simply defy legislative resolution, and the issue of whether to allow electronic games of chance at parimutuel tracks and a few other locations in this state seems to be one of them. Just as the Legislature entrusted voters with controversial issues such as liquor by the drink, lottery, parimutuel and -- I almost forgot -- pull-tab bingo, so, too, should we let the voters decide whether to allow electronic slot and video poker machines at dog and horse tracks.

I have said repeatedly and I say again, because I support submitting this question to the voters does NOT mean I support the proposition. What I say to Kansans who ask me about this issue is, vote "yes" if you are in favor and vote "no" if you are opposed. But let's get this issue decided. We have consumed far more time and energy on this question than it deserves.

There are those who are very concerned about the social costs of gambling, and I join

*Attachment
Exhibit 1
Senate Federal; State Affairs
2/26/96 11:00*

SENATE TESTIMONY, February 26, 1996

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them in their concerns. But the fact is gambling is here. People can buy lottery tickets at almost any street corner in this state; parimutuel betting occurs daily; Kansas Indian tribes will open gambling casinos in our state within weeks; our citizens spend millions at casinos in Missouri, Las Vegas and elsewhere. There no longer is anything dramatic about letting the voters decide whether gaming opportunities in Kansas will be expanded to include electronic games of chance at dog or horse tracks.

Whether such expanded gaming will save the parimutuel industry in Kansas is in doubt. If the voters decide not to expand gaming, the industry is not likely to survive in its present form. So be it. But to leave the industry hanging over continued indecision makes no sense. Again I say, let the voters decide; the chips will fall where they may.

Two final points. First, I strongly favor the constitutional amendment approach to this issue over the statutory approach. When voters passed the lottery in 1986, they did not vote for unlimited gaming in this state, despite somewhat convoluted court decisions to the contrary. To me, implementing electronic games of chance by statute may not subvert the will of the voters, but nor does it forthrightly honor their wishes. Let them vote.

Second, I favor a restricted and regulated approach to expanded gaming in this state if the constitutional amendment passes. Such an approach is contained in SCR 1621 and its implementing legislation, SB 712. We have a responsibility to contemplate what happens if the voters approve the proposed amendment. Obviously, that is not an endorsement of expanded gaming. It is consideration of a measured approach to its implementation if the amendment passes.

Thank you, again, for this opportunity to express my views on this issue. By letting the voters decide, we all win. I urge you put this issue on the November ballot.

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ALDERSON, ALDERSON & MONTGOMERY, L.L.C.

ATTORNEYS AT LAW

MAILING ADDRESS:

W. ROBERT ALDERSON, JR.
ALAN F. ALDERSON
STEVEN C. MONTGOMERY
JOSEPH M. WEILER
DARIN M. CONKLIN
JOHN E. JANDERA
DANIEL W. CROW*
MARK A. BURGHART

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TOPEKA, KANSAS 66601-0237

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*LICENSED TO PRACTICE IN
KANSAS AND MISSOURI

TO: Senate Federal & State Affairs Committee

FROM: Steve Montgomery, Kansas Greyhound Kennel
Owners' Association

RE: Testimony Supporting SCR 1621 and SB 712

DATE: February 26, 1996

I am appearing on behalf of the Kansas Greyhound Kennel Owners' Association (KGKOA) in support of SCR 1621 and SB 721 which would, in essence, allow the state of Kansas to enter into contracts with licensed parimutuel race tracks to place games of chance machines on licensed parimutuel facilities. SB 712 is intentionally silent as to non-racetrack locations. The KGKOA is an association comprised of persons owning licensed greyhound kennels at the Kansas race tracks at which greyhound racing is conducted. In many cases, our members not only operate kennels at Kansas race tracks, they operate kennels at race tracks in other states as well.

Bill Background

After the 1995 legislative session, representatives of the KGKOA, the Kansas Quarterhorse Horse Racing Association (KQHRA) and the Kansas Thoroughbred Association (KTA) initiated a series of discussions regarding the current status of the parimutuel breed groups in the context of the Kansas parimutuel racing industry, and what, if any, legislative proposals might be pursued to address their plight. At the risk of stating the obvious, both the horse and greyhound industries within our state are in great distress. This was not always the case as our industries flourished in prior years when adequate purses were offered at Kansas race tracks to attract the highest quality racing animals.

Now, however, the purse structure at all Kansas tracks is so depressed that none can attract top quality racing animals. Although Kansas has a substantial number of high quality animals, they are now increasingly leaving our state to compete elsewhere. Stables and kennels which once flocked to Kansas to establish their businesses are now moving elsewhere or closing as they can no longer afford to remain in business

*Attachment Exhibit 2
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in Kansas. The horse and greyhound organizations have concluded that the 1996 Kansas Legislative Session will be the watershed year with respect to parimutuel racing in Kansas. Our groups cannot afford not to aggressively pursue substantial modifications to our parimutuel system. The alternative is to watch a substantial agri-business industry and the state's top tourist attractions die.

In the course of our discussions, the entire spectrum of legislative possibilities has been examined. Not one member of our respective organizations believes that casino gambling and parimutuel racing is the preferred mix at a parimutuel facility. However, our organizations uniformly believe that without some type of casino gaming at Kansas race tracks to provide a fighting change of re-attracting our traditional patrons, parimutuel racing will surely die. This realization is made with some sadness as members of our organization are "parimutuel racing purists." However, with the advent of video lottery games implemented by the Kansas Lottery, casino gaming at our borders and, now, casino gaming within Kansas on Native American reservations, we have also become realists.

The members of our organization observed a slot machine bill narrowly miss passage in the 1995 legislature. From our perspective, the legislation was miscast as a track bailout bill. Virtually no one perceived that there is a massive benefit to the Kansas economy from agri-business industries that have grown up around the horse and greyhound industries. I suppose that such a straightforward analysis is not nearly as glamorous as the "track bailout angle." However, one cannot explore the history of parimutuel racing in Kansas without realizing that the overwhelming desire of the Kansas legislature and the Kansas voters to promote Kansas horse and greyhound industries was the driving force behind the constitutional amendment and the Kansas Parimutuel Racing Act. This is and should be the focus of future legislative efforts to save the parimutuel industry. After all, parimutuel tracks cannot operate without animals.

Accordingly, our three organizations have prepared the legislative proposals submitted today. We solicited comments from the Kansas racetracks and have adopted some of their recommendations. However, we want to emphasize that these are "breed group" proposals.

Bill Summary

The important features of this bill are as follows:

1. A state owned and operated (through an undesignated commission) system by which machines will be located at

licensed parimutuel locations. SB 712 is silent as to non-racetrack licensees authorized by SCR 1621.

2. If passed statewide at the 1996 general election, machines could operate in any county approving the issue until June 30, 2002, at which time the legislature must pass re-enacting legislation.

3. The commission will enter into contracts with parimutuel facilities licensed by the Kansas Racing Commission for the placement of machines approved by the commission. The contracting parties will be the state and the tracks' organization licensees.

4. The intent of SB 712 is to require all machines to be tied to a central computer for state auditing purposes without favoring either the "dial-up" or "continuous contact" technologies.

5. The racetracks will be financially responsible for the machines to be placed at the facilities; however, the machines must be approved by the commission.

6. The State will receive tax revenues starting at 20% of "net machine income." Essentially, this means that the state will receive 20% of whatever revenues are left over after the payment to successful players of machines. The rate will then increase 1% each year up to a ceiling of 25%.

7. 20% of the net machine income at track locations will be divided between the animal groups for enhancement of purses and contributions to breed programs.

8. Minimum days of live racing are established at tracks which operate machines.

9. Machines may be placed only in structures at track sites equipped with operational parimutuel windows and video feeds of live racing. If the structure is apart from the grandstand, a finding must first be made that the placement of machines in the structure is beneficial to live racing.

10. Portions of machine revenue must be used by the tracks for capital improvements and promotion of live racing.

11. Machines at Wichita Greyhound Park, The Woodlands and Camptown, shall be operational only on days during which there is live racing or simulcast racing and only if live racing was conducted in the preceding 72 hours. At Eureka and Anthony Downs, the two Kansas small horse tracks with the longest tradition in Kansas racing, machines may be

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operational for a period of time equal to twice the number of days authorized for simulcast racing.

Purpose of Legislation

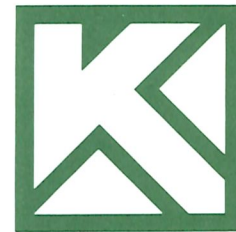
The purpose of this legislation is to enhance live parimutuel racing within the State of Kansas. An attempt is made to minimize the proliferation of casino style games (machines only) and their locations, while adopting a system which maximizes state control. Although we believe there will be substantial revenues realized by the State of Kansas, this is not intended to be a revenue producing measure for the State of Kansas. Instead, it is designed to be a measure which will save this important Kansas agri-business industry and the state's top tourist attractions. We believe that this proposal presents an excellent blend of concepts which will benefit the industries which breed, raise, train and support Kansas racing animals, the race tracks and the State of Kansas; while proceeding cautiously without an expansion of full scale casino gaming. We urge the committee to carefully consider this proposal and to recommend its passage to the full Senate.

SCM:gaa

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LEGISLATIVE TESTIMONY

Kansas Chamber of Commerce and Industry



835 SW Topeka Blvd. Topeka, Kansas 66612-1671 (913) 357-6321 FAX (913) 357-4732
SCR 1621

February 26, 1996

KANSAS CHAMBER OF COMMERCE AND INDUSTRY

Testimony Before the

Senate Federal and State Affairs Committee

by

Jim Edwards

Director, Chamber & Association Relations

Chairwoman Oleen and members of the Committee:

I thank you for the opportunity to stand before you today to express KCCI's support for SCR 1621, a measure which proposes to amend the Kansas Constitution and provide for electronic games of chance at various sites in the four Congressional Districts of Kansas, especially those sites currently offering pari-mutuel wagering on horse and dog racing.

The Kansas Chamber of Commerce and Industry (KCCI) is a statewide organization dedicated to the promotion of economic growth and job creation within Kansas, and to the protection and support of the private competitive enterprise system.

KCCI is comprised of more than 3,000 businesses which includes 200 local and regional chambers of commerce and trade organizations which represent over 161,000 business men and women. The organization represents both large and small employers in Kansas, with 55% of KCCI's members having less than 25 employees, and 86% having less than 100 employees. KCCI receives no government funding.

The KCCI Board of Directors establishes policies through the work of hundreds of the organization's members who make up its various committees. These policies are the guiding principles of the organization and translate into views such as those expressed here.

KCCI joined forces with several other groups in 1986 to promote the issue of pari-mutuel wagering on horse and dog races in Kansas in order to: 1) provide for an added form of entertainment for Kansans, some who were already traveling to our bordering states for such races;

*Attachment Exhibit 3
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2. Provide Kansas farmers with a means of securing additional revenue through the raising of horses and dogs as well as feed items for such animals; 3) help create jobs in the racing industry itself; 4) create additional income for Kansas charities; and, 5) add moneys to a newly created state fund that would provide financial assistance to economic development projects...the Economic Development Initiatives Fund. The Legislature approved the measure and passed it on to the state's voters, who then gave it overwhelming support. Kansas racing was off and running.

This industry made an impact on Kansas. Figures showed that at its high point, the impact totaled close to \$1/4 billion annually. As time went on, changes faced the racing industry and ultimately Kansas, the beneficiary of the industry. The latest of these changes is that of the placement of electronic games of chance at several sites in Missouri, the most noticeable just a few miles from the pari-mutuel race track located outside Kansas City, Kansas.

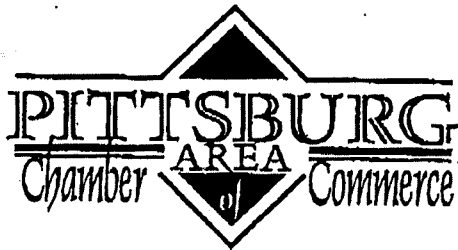
Consequently, KCCI is back to join forces with those that were present in the 1986 efforts as well as others. We are here to help support an industry in trouble. We are not here however to ask for a "bailout" as some opponents of the issue have claimed. We are here asking that the Kansas pari-mutuel racing industry be allowed to compete on a level playing field and to do so they need other forms of gaming at their sites. Very few industries in Kansas are required to "jump through the hoops" that this industry has had to do just to add a new product line in order to remain competitive. I would remind you that they are not coming to you to ask for any state moneys, they are coming to you to ask to have their one arm taken from behind their back so they can compete.

The issue is no longer whether we have pari-mutuel wagering in Kansas...we have it, it has been successful, and it can once again be successful. The issue is no longer whether Kansans play electronic games of chance...they have already taken an estimated \$180 million from Kansas to wager in Missouri at their operations just a short distance from Kansas. The issue is whether the Kansas Legislature will permit this Kansas industry to once again prosper and in the process provide

jobs for Kansans, additional funds for Kansas higher education, a recognized form of entertainment for Kansans and opportunities for Kansans raising horses and dogs.

KCCI wholeheartedly agreed with Governor Bill Graves when he stated, ***"Without enhanced gaming opportunities, it's becoming clear that the pari-mutuel industry in this state isn't likely to survive, and I happen to think it's an industry worth saving."*** We truly hope you also share this concern.

Thank you for the opportunity to appear before you today and I would be happy to stand for questions.



February 26, 1996

The Honorable Senator Lana Oleen
 Chairperson of Federal and State Affairs
 State House
 Topeka, Kansas 66612

RE: SCR1621
 SB 712
 Electronic Games of Chance

Dear Senator Oleen:

Please accept the enclosed as testimony in favor of the passage of SB 712 and SCR 1621. The information provided will allow your committee to understand the leakage of revenue dollars southeast Kansas experiences to the State of Missouri and the importance of these two pieces of legislation to our state.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in cursive that reads "Lynda S. Wilkinson".

Lynda S. Wilkinson
 President

encl.



*Attachment Exhibit 4
 Federal and State Affairs
 2/26/96 11:00*

Testimony for SCR 1621 and SB 612
Electronic Games of Chance
From the Pittsburg Area Chamber of Commerce
Contact: Lynda Wilkinson, President 316-231-1000
February 26, 1996

Pittsburg lies in the southeast corner of Kansas, virtually 10 miles from Missouri. We see and feel the affects of Kansas revenue leaving the state for entertainment purposes on a daily basis. Long before Kansas implemented a state lottery, people from our region were traveling to Missouri to buy lottery tickets. Long before Kansas adopted liquor by the drink, people from our region were traveling to Missouri for an evening of entertainment. And today, we are experiencing citizens from southeast Kansas traveling to Missouri to seek riverboat gaming.

Research conducted by our office has shown that over 5,000 Southeast Kansas citizens are traveling to the riverboats in Kansas City, Missouri with four different tour bus companies. Trips are varying from every two weeks to once a month. These individuals are seeking the type of entertainment that Kansas has the opportunity to offer. Which would result in increased revenues for the State of Kansas instead of contributing to the tax base in Missouri.

Although Kansas is a fairly new home to the gaming industry, during the past 5 years it has generated millions of dollars in state and local taxes, real estate and property taxes, wages and funding for economic development activities. Missouri continues to be one step ahead of us in luring our potential tourists to their state by aggressively embracing gaming activities. Their proactive approach has made it difficult for Kansas to compete for this leisure activity which is producing millions of dollars for Missouri enhancement programs.

Therefore, for Kansas to remain competitive in the economic development arena, the Pittsburg Area Chamber of Commerce supports legislation to enable the people of Kansas to vote by county to allow electronic games of chance.

The issue before us is not whether to allow gambling in Kansas, it's already here. The question is whether the state will allow for the expansion of gambling to include electronic games of chance. The people of Kansas deserve the right to choose which recreational activities they wish to participate in and how to spend their recreational dollars. We strongly urge the passage of SCR 1621 and SB 712.

ROGER & DARLA WINFREY

RESIDENCE

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EUREKA, KS 67045-2302
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OFFICE

220 N. MAIN
EUREKA, KS 67045
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Sunday, February 25, 1996

Senate Federal and State Affairs Committee
Madam Lana Oleen

Madam Chair and Members of the Committee:

My name is Roger L. Winfrey. I am President of a small Insurance Agency in Eureka, County Seat of Greenwood and home of Eureka Downs. It is a privilege to speak in support of SB 712 and Senate Concurrent Resolution 1621. We are a small community, numbering approximately 3,000, with a total county population of less than 8,000. We encompass 1,155 square miles, one of the largest geographic counties in Kansas. As I am sure you are aware it is becoming harder and harder to support the budget requirements for infrastructure alone with this type of population to area ratio.

Our primary economic support has been the cattle and oil industry. As we all know, these industries have been on the decline of late. The existence of Eureka Downs has provided a great infusion to our local economy. This has not only been in the area of Tourism, which is vitally important, but also the ongoing needs of the training and support facilities. I realize it may not be of the magnitude of the Woodlands, yet it probably provides a greater boost to our local economy than that of the Woodlands on the Kansas City economy. This means dollars in the pockets of our local merchants.

I believe it is imperative that we level the playing field competitively with out of state tracks to provide a continual oppurtunitive for the Horse Industry to continue to exist in Kansas.

I appreciate the opportunity to provide this testimony.

Sincerely,

Roger L. Winfrey

cc: Senator David Corburn
Representative Ray Luthi

*Attachment
Exhibit 5
Federal and State Affairs
2/26/96 11:00*

Testimony to
Senate Federal and State Affairs Committee
on SCR 1621 and SB 712

by
Lionel Alford,
Chairman & CEO, Alford, Inc.
February 26, 1996

Good Morning Senator Oleen and other Members of the Committee. I am Lionel Alford. My residence is in Wichita.

Thank you for allowing me to express my feelings on expanding casino gambling in our state. You may not agree with my position and my position may, in fact, be of no consequence to you, but thanks for listening.

My motivation for nearly everything I do is to make Kansas a better place to live. I live in Kansas because I want to live here - not because its to my financial advantage, but because I found in Kansas some of the things I hold dear - a work ethic that is better than any of the 10 states I have lived in - a place that puts value on the family that helps those in need - that gives our young people a sense of community service and career focus - that strives for economic development that attracts business with work that gives pride to the people who work in those businesses, and provide services and products that give fair value to the population as a whole - not businesses that stack the deck against the individual as casino gambling does. I'm reminded of what Dwight Eisenhower once said, I have one yard stick which I test every major problem or proposal - and that yard stick is, "is it good for America?"

I use the same yard stock to test what is good for Kansas - I have determined from all the data I have read and there is a great multitude of data available from this data and what I know, casino gambling does not meet the test of what's good for Kansas. Gambling:

1. Weakens the family
2. Increases crime
3. Increases homelessness
4. Increases thief

Attachment
Exhibit 6
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5. Hurts the image of the state and community
6. Reduces productivity
7. Increases the possibility of political graft
8. Inhibits young people find values in the work ethic, the family and a career that is for the social good.
9. It increases drunkenness
10. It increases our social problems and increases cost to those providing social services.

I would request you stop your efforts to increase gambling in our state. Thank you.

STAND UP FOR KANSAS



Citizens for Stable Economic Growth and Quality of Life in Kansas

P.O. Box 780127 ♦ Wichita, KS 67278 ♦ (316) 634-2674

Testimony To Senate Federal and State Affairs Committee

The Devastating Impact SCR 1621 and SB 712 Would Have on Kansas Citizens

by

Glenn O. Thompson

Chairman, Stand Up For Kansas

February 26, 1996

Good morning Senator Olen and other members of the committee. I am Glenn Thompson, Chairman of Stand Up For Kansas. Thank you for this opportunity to speak at this public hearing.

One of the most important testimonies heard last Fall by the Special Committee on Gaming was presented by Mr. Bruce Turner, vice-president and Gaming Equity Analyst for Solomon Brothers, Inc.. Mr. Turner made three key points that are very relevant to this hearing:

- (1) The legislature needs to define a clear goal for expanding gambling in Kansas before sending a proposed constitutional amendment to the people for a state-wide vote. Mr. Turner said "... the decision regarding expansion of gambling must grow from a defined political goal."
- (2) Most revenues for new casinos in Kansas will come from local citizens, not out-of-state gamblers or tourists. Mr. Turner said "Do not naively expect that Kansas can attract significant out-of-state revenue. It is highly unlikely to happen."
- (3) Simply installing electronic games of chance at racetracks will not stop the outflow of gambling dollars to Missouri riverboats. Again, Mr. Turner said "A competitive facility in Kansas would require an investment exceeding \$100 million. This could likely only be achieved from a competitive bid for a monopoly license... For a Kansas-based gaming facility to efficiently compete with Missouri riverboats, it should be land-based, a monopoly license, and of an unrestricted nature in terms of size and location."

What then is the goal of this legislation?

Is the goal to stop the outflow of Kansas gambling money going to Missouri riverboats. Mr. Turner made it very clear that electronic games of chance machines at racetracks cannot compete with Missouri riverboat casinos.

*Attachment
Exhibit 7
Federal & State Affairs
2/26/96 11:00*

Is the goal to save the Kansas parimutuel racing animal industry? I hope not. The state should not be in the business of bailing out privately owned industries. Why not bail out other private industries across the state that have declining revenues? Once you open this door, where do you stop? Further, why should the state pull revenues from existing Kansas private industries to subsidize another private industry?

Is the goal to save Kansas parimutuel racetracks? During a recent hearing of the House Federal and State Affairs Committee, the general manager of The Wichita Greyhound Park stated "We have a stale product. We need games with instant gratification. We need to keep up with the competition." Since, racetrack executives are obviously not interested in continuing with a "stale product," saving the racetracks should not be the goal.

So, what then is the goal of this legislation? I don't know. It's not clear to me and it's not clear to other grassroots citizens across the state who don't want to expand legalized gambling and who don't understand why this legislation is even being considered. We urge you to define the goal clearly before voting on sending this legislation to the full senate.

Whatever the goal, I urge you to consider, in your committee deliberations, the social and economic impact that legalizing electronic games of chance would have on families, businesses and communities throughout our state. After considering the devastation similar proposed legislation would have on Nebraska citizens, Nebraska senators killed the proposal 36-9. In Louisiana, after legalizing casino riverboats and electronic games of chance only four years ago, legislators are trying to figure out how to get rid of them.

As clearly shown in other states, **legalizing electronic games of chance machines in Kansas would:**

1. **Cannibalize businesses within surrounding areas,**
2. **Breed political corruption,**
3. **Destroy families,**
4. **Increase crime, and**
5. **Cost Kansas citizens and businesses hundreds of millions of dollars annually.**

Each of these problem areas are discussed in the appendix.

But, this issue is so controversial, why not simply let the people vote? The answer is there would be no contest! Casino investors would literally buy the state with millions of dollars of advertising to win the election. They spent \$12 million in Missouri and \$15 million in Florida. By comparison, Gov. Graves spent only \$2 million in his campaign for governor. Grassroots opponents wouldn't stand a chance against such an advertising onslaught.

The Kansas constitution says "**two-thirds of all the members elected to each house shall approve**" a proposed resolution for a constitutional amendment, **not agree to let the people approve the proposed resolution.**

If you do not support legalizing casinos in Kansas, we urge you to **VOTE NO ON SCR 1621 AND SB 712.**

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Appendix

Legalizing electronic games of chance machines (normally called video lottery terminals) in Kansas would:

1. Cannibalize businesses within surrounding areas

Casinos at Kansas racetracks would pull thousands of jobs and hundreds of millions of dollars in revenues annually from existing businesses within surrounding areas. They would damage, and often destroy, existing retail, entertainment and service businesses.

After less than a year of operation, the Prairie Meadows racetrack casino near Des Moines is destroying surrounding businesses. Over 80 percent of the casino revenues come from customers living within a 50 miles radius. A nearby amusement game company has had to reduce company employees from 32 to 17. Revenues at a Des Moines bowling center have dropped 15 percent. Restaurants and bars cannot compete with the low prices offered in the casino. Banks report that bad checks received by businesses are up 35 percent.

In Missouri Kansas City Royals officials are concerned about the decline in attendance since the riverboats moved in.

2. Breed political corruption.

Once entrenched, casino owners soon control state and local governments. Many elected officials, hooked by large contributions, become pawns of the casino industry. Officials that cannot be bought find themselves running against pro-casino candidates with large campaign funds from the casino industry.

In Louisiana:

- The Deputy Chief of Police accepted a \$325,000 payment from a video poker company;
- State legislators received disguised campaign contributions from video poker operators;

In a recent report, Maryland Attorney Joseph Curran, Jr. says: "The gambling industry has astronomical sums of money at stake in decisions regarding legalization. Once legalized, the industry has an enormous stake in how it is regulated. This combination of casino wealth and the regulatory power of government can lead to extraordinary influence-peddling and, at its worst, to political corruption."

3. Destroy families.

Electronic games of chance machines, such as those proposed, are the most addictive form of gambling and are often called the "crack cocaine of gambling."

In 1993, Nova Scotia reduced the number of these machines from 2,500 to 1,000 because of the number of adults and children becoming addicted.

We should expect three to six percent of the adult population to become pathological and problem gamblers. In Iowa pathological and problem gamblers increased from 1.7 percent in 1989 to 5.4 percent in 1995.

These gamblers will bet everything of value until nothing is left. They will borrow from family, friends, co-workers and credit unions, eventually writing bad checks until they pass the point of bankruptcy. In desperation, as many as sixty percent will turn to crime such as theft,

fraud, embezzlement and drugs. Some will try recovery programs, but in most cases, no more than 20 percent will recover.

U.S. News studies indicate people with income under \$10,000 spend a larger percentage of their household incomes on lotteries. Welfare recipients from the two counties surrounding Minneapolis and St. Paul are withdrawing more than \$400,000 a year of their welfare benefits from ATMs at state casinos.

4. Increase crime

Studies conducted in other states indicates street crime would increase and organized crime would try to establish a foothold.

A recent U.S. News study indicates crime is increasing in towns with casinos while it is dropping for the nation as a whole. Towns with casinos recorded a 5.8 percent increase in crime rates in 1994, while crime around the country fell 2 percent. The 31 places that got new casinos just the year before saw their crime jump the most: 7.7 percent

On the Mississippi Gulf Coast crime has increased in every category, with murder, rape, robbery and car theft at least doubling. Juvenile violent crime has shot up 65% in the last two years, alcohol-related accidents increased 101% in the first half of 1994, and police describe a staggering increase in fraud and embezzlement.

In Louisiana, three organized crime families have attempted to infiltrate Louisiana's video poker industry. Twenty-four people, including members of the Marcello, Genovese and Gambino crime families, have been sentenced on federal charges stemming from an attempt to use front companies to siphon off video poker profits.

5. Cost Kansas citizens and businesses hundreds of millions of dollars annually.

The average annual cost to society of a compulsive gambler ranges between \$13,000 and \$52,000. This includes costs for loss work, criminal-justice from resulting crimes, incarceration, insurance premiums protecting businesses from embezzlement, social counseling, recovery treatment and family welfare costs. Consequently, legalizing slot machine casinos would cost Kansans hundreds of millions of dollars per year.

University of Illinois commerce Prof. John Kindt says that for every dollar gambling contributes in taxes, taxpayers spend at least three dollars on everything from fixing up streets around casinos to increasing police patrols and treating pathological gamblers.

Business overhead costs would increase to cover increased lost time for compulsive gambling recovery, theft, fraud, embezzlement and insurance.

A U.S. News computer analysis of 55 counties that got casinos between 1990 and 1992 suggests that casinos do not create significant economic expansion. However, "One group has made out phenomenally well from Joliet's (Illinois riverboat) casinos: the owners. The Empress has paid out \$178 million to 11 owners who originally invested \$11.8 million ... "

And in California, Hollywood Park (owner of the Woodlands Racetrack) must be doing OK. CEO R. D. Hubbard recently completed a new 14,000 square-foot home, overlooking the 15th tee of the Bighorn Golf Club in Palm Desert. The mansion took two years to build and another year to furnish. Museum-quality works of art, including life-size bronze sculptures, fill the home. Do we really believe Kansas citizens and businesses should bail out the Woodlands?

MARTIN K. EBY CONSTRUCTION CO., INC.

P. O. BOX 1679 • 610 NORTH MAIN
WICHITA, KANSAS 67201

MARTIN K. EBY, JR., P.E.
CHAIRMAN OF THE BOARD

February 19, 1996

To: Glenn O. Thompson

From: Martin K. Eby, Jr.
Chairman of the Board
Martin K. Eby Construction Co., Inc.

Please deliver this message for me to members of the Kansas Senate:

As a citizen and businessman, I oppose further expansion of gambling and new forms of gambling in Kansas.

Rational Kansans are offended by existing advertisement of the State Sponsored Lottery as the way to get rich. These ads encourage a philosophy of luck and randomness and diminish the virtues of thrift, hard work, and self reliance. No further intrusion by sponsors of these perverse values should be allowed.

I urge you to vote "No" on SCR 1621 and SB 712.

*Attachment
Exhibit 8
Federal: State Affairs
2/26/96 - 11:00*



Associated Advertising Agency, Inc.

February 23, 1996

TO: Members of The Senate Federal
and State Affairs Committee

My name is Preston Huston. I am chief executive officer of Associated Advertising Agency in Wichita. We have been a major agency in Kansas for 50 years, have 35 employees and represent some of the finest companies in Kansas. Since I cannot be present for this hearing I have asked that my remarks be read.

I am very concerned about the proposed constitutional amendment and other legislation to legalize casinos or slot machines in race tracks and other locations. I am inalterably opposed to any expansion of gambling in the state of Kansas.

Our legislators are primarily elected because the citizens of the state believe they are people of good judgment and wisdom. In this day, where practically all the ills of our society are blamed on our drifting away from "family values", it seems completely incongruous for a legislative body of good judgment and wisdom to even consider expansion of gambling. It is one of the most insidious methods of destroying "family values". This is a matter of record.

One of the chief responsibilities of government is to protect the citizens from scams. Casino and/or slot machine gambling are scams. Our laws specifically state that "prize, chance and consideration" constitute an illegal lottery. In my profession we must apply this rule to every promotion we create. The legislature cannot change this very basic moral law simply to accommodate additional revenue or the gambling perverters who will be the only ones to profit.

I know our governor says he would like for the people to vote on this issue to settle it once and for all. You all know, and have been pressured by the gambling lobbyists, so you are aware of the kind of resources that they would put in to help "persuade the people." There is no way that either a private or a citizen's group could muster enough funds to counter the millions they are prepared to spend to turn Kansas into a gambling state.

Please answer this question. Where are the citizens groups . . . or who among your constituents are demanding that you expand gambling? I know of none. Only those who are going to profit by expanded gambling are pressuring you.

*Attachment Exhibit 9
Federal: State Affairs
2/26/96 11:00*

Members of The Senate Federal
and State Affairs Committee
February 23, 1996
Page Two

Once these gambling perverters get a foothold in the state, they will "own" you. They have no scruples and they will not hesitate to use their "power" to influence the governor and legislature in other matters. This is already reflected by the way they have recruited charities in this state to lobby for expanded gambling. I am the recipient of such efforts because I serve on the board of a charitable institution and was asked to lobby you to expand gambling so that this charity could continue to receive a "pittance" of the 1% of revenues which the law requires race tracks to give to charities.

Please vote NO on SCR 1621 and SB 712.



Preston Huston
Chairman/CEO

**Testimony To Senate Federal and State Affairs Committee on
SCR 1621 and SB 712**

by
Bill Morris
Wichita, Kansas
February 26, 1996

Good morning Senator Oleen and other members of the committee. I am Bill Morris. My residence is 6419 East Murdock, Wichita, Kansas. Thank you for this opportunity to speak at this public hearing.

I am here today to urge you to **vote no** on SCR 1621 and SB 712 and not send this legislation to the full Senate.

During the next few minutes, I would like to refresh your memories about some changes that have taken place in Kansas since I moved to Wichita on Jan. 1, 1968.

When I transferred to Wichita from Oklahoma City, liquor was sold in private (BYOB) clubs only. Then the liquor industry began it's lobbying and we moved from private clubs to public restaurants and then to open saloons and bars, open seven days per week.

Now, it's not the liquor industry but out-of-state gambling interests. Do you remember when these gambling interests were trying to persuade us to allow parimutuel betting in the state? You will recall we were told that it would result in lower property taxes due to the gambling industry pumping millions of extra dollars into public education. You will also remember that there was, as best as I remember, a \$50 million plus surplus in the states coffers. Well I don't need to remind you that taxes have gone up, not down, and, as for the surplus, it was gone a year after parimutuel racetracks were legalized.

Now those same gambling interests are trying to persuade us that gambling is going to be good for the economy of Kansas. The racetracks are complaining of hard times and want the state to bail them out by legalizing slot machines and other electronic gambling devices at their tracks.

I know of no legitimate business that, because of financial problems, can go to the state and expect the state to bail them out because of their poor business management. This state has all the gambling it needs --- both now and in the future.

Again, I urge you to **vote no on SCR 1621 and SB 712.**

Thank you.

Attachment
Exhibit 10
Federal and State Affairs
2/26/96 11:00

TESTIMONY REGARDING THE EFFECTS
OF PROPOSED GAMING LEGISLATION
PRESENTED TO THE KANSAS LEGISLATURE
FEBRUARY 26, 1996

BY
CONRAD MILLER, JR.

P.O. BOX 7054
Shawnee Mission, Ks. 66207-0054
on behalf of the

KANSAS BOWLING PROPRIETORS

I. INTRODUCTION

MY NAME IS CONRAD MILLER, JR.. I AM AN ATTORNEY AND BOWLING PROPRIETOR AND I AM HERE TODAY ON BEHALF OF THE BOWLING PROPRIETORS OF KANSAS. MY REMARKS WILL DEAL IN LARGE PART ON THE ECONOMIC IMPACT THAT LIMITED GAMING HAS AND WILL HAVE ON ONE SEGMENT OF OUR ENTERTAINMENT ECONOMY, THE BOWLING INDUSTRY. I AM NOT DEALING IN DEPTH WITH THE SOCIAL AND MORAL ISSUES OF GAMING, BECAUSE GAMING IS A FACT OF LIFE IN KANSAS AND OUR NEIGHBORING STATES. COLORADO HAS LIMITED STAKES GAMING, MISSOURI HAS RIVER BOAT CASINO'S AND KANSAS HAS PARIMUTUEL AND LOTTERY. SO GAMING IS HERE AND IT IS ALREADY EFFECTING KANSAS AND KANSAS BUSINESSES. NOW IT IS FOR THE LEGISLATURE OF TO DETERMINE WHETHER THE BUSINESSES OF OUR STATE WILL BE ALLOWED TO COMPETE IN THAT SEGMENT OF THE ENTERTAINMENT INDUSTRY, OR WHETHER THE KANSAS ENTERTAINMENT INDUSTRY WILL SUFFER FURTHER LOSSES TO OUR NEIGHBORS.

WHILE MUCH HAS BEEN MADE OF THE PARIMUTUEL TRACKS ECONOMIC DOWNTURN DUE TO NEIGHBORING GAMING, THEY BY NO MEANS HAVE A MONOPOLY ON THIS DOWNTURN IN BUSINESS, ALL SEGMENTS OF THE ENTERTAINMENT INDUSTRY IN KANSAS HAVE FELT THE PRESENCE OF RIVER BOAT GAMBLING AND THE BOWLING INDUSTRY IS NO EXCEPTION

I WOULD ALSO LIKE TO DISPEL A POPULAR MISCONCEPTION THAT BOWLING CENTERS WILL NOT BE EFFECTED BY THE GRANTING OF A MONOPOLY IN THE UTILIZATION OF VIDEO LOTTERY MACHINES BECAUSE THEY MERELY HAVE TO OPEN THEIR DOORS AND COLLECT MONEY FROM LEAGUE BOWLERS WHO ARE LOCKED INTO LONG TERM CONTRACTS. NOTHING COULD BE FURTHER FROM THE TRUTH. BECAUSE OF THE VARIETY OF ENTERTAINMENT ALTERNATIVES, THE LEAGUE BOWLER THAT STAYS FOR A 36 WEEK SEASON IS BECOMING INCREASINGLY HARD TO FIND. OUR INDUSTRY HAS TO CONTINUALLY INVEST MILLIONS OF DOLLARS TO UPGRADE FACILITIES AND PROVIDE ALTERNATIVE ACTIVITIES TO ATTRACT AND KEEP THE CAUSAL BOWLER IN OUR BOWLING CENTERS. THIS IS CRUCIAL BECAUSE FROM THESE

*Attachment 11
Federal: State Affairs
2/26/96 11:00*

CASUAL BOWLERS COME THE PEOPLE WHO MAKE UP OUR LEAGUES.

THE 150 BOWLING CENTERS OF THIS STATE ARE FOR THE MOST PART SMALL FAMILY RUN BUSINESSES WHICH, IN SOME CASES, HAVE BEEN OPERATED BY THE SAME FAMILY FOR TWO OR THREE GENERATIONS. THEY ARE AN INTEGRAL PART OF THE COMMUNITY BOTH ECONOMICALLY AND SOCIALLY.. THE DOLLARS THAT THEY GENERATE STAY IN THE COMMUNITY AND HELP LOCAL ECONOMIES GROW.

II. CHARITABLE ACTIVITY

WHEN IT COMES TO CHARITABLE ACTIVITIES, NO MONOPOLY EXISTS FOR THE PARIMUTUEL TRACKS EITHER. THE SPECIAL OLYMPICS OF WICHITA HAS TESTIFIED TO THE FACT THAT HIS ORGANIZATION RECEIVED \$57,000 OVER A 5 YEAR PERIOD FROM THE WICHITA GREYHOUND PARK. THIS AMOUNT IS RAISED FOR EL CENTRO, A SOCIAL SERVICE AGENCY IN KANSAS CITY, KANSAS, IN ONE AFTERNOON A YEAR, BY ONE BOWLING CENTER IN KANSAS CITY, KANSAS. SIMILARLY, THE BOWLING CENTERS ACROSS THE STATE RAISE MILLIONS OF DOLLARS FOR CHARITIES EACH YEAR. THESE FUNDRAISERS RANGE FROM THE NEARLY 3/4 OF A MILLION DOLLARS RAISED FOR BIG BROTHERS AND BIG SISTERS IN WICHITA ANNUALLY TO THE THOUSANDS OF LITTLE LEAGUE BASEBALL, BASKETBALL AND FOOTBALL BOWL-A-THONS HELD TO RAISE FUNDS FOR UNIFORMS AND EQUIPMENT. ALL THESE ACTIVITIES LIGHTEN THE BURDEN OF THE SOCIAL AGENCIES AND THE GOVERNMENT AND ENCOURAGE SELF-SUFFICIENCY BY THE INDIVIDUAL GROUPS.

III. ECONOMIC IMPACT

THE TRACKS ALSO DON'T HAVE A MONOPOLY ON BEING AN IMPORTANT PART OF THE KANSAS ECONOMY. WHILE IT IS DIFFICULT TO GET AN ACCURATE COUNT ACCROSS THE STATE, WE HAVE ESTIMATED THAT THE 150 BOWLING CENTERS IN KANSAS EMPLOY TWO THOUSAND FIVE HUNDRED PEOPLE WITH ANNUAL PAYROLLS OF BETWEEN \$18 AND \$22 MILLION. FROM THIS COMES 4 TO 6 MILLION DOLLARS OF PAYROLL TAXES. THESE CENTERS ALSO GENERATE OVER A MILLION DOLLARS IN LOCAL REAL ESTATE TAXES AND \$3 TO \$5 MILLION DOLLARS IN STATE SALES AND LIQUOR TAX. SHOULD OUR BUSINESS BE ERODED BY UNFAIR COMPETITION FROM HORSE TRACK GAMING, THESE NUMBERS WOULD BE SERIOUSLY IMPACTED.

AFTER GAMING WAS INTRODUCED IN MISSOURI, SOME CENTERS IN KANSAS CITY HAVE REPORTED UP TO A 40% REDUCTION IN THEIR CASUAL BOWLING AND A 10% REDUCTION IN OVERALL REVENUE. PEOPLE ARE SIMPLY CHOOSING TO SPEND THEIR ENTERTAINMENT DOLLAR IN MISSOURI, RATHER THAN KANSAS. WITHOUT THIS CASUAL BOWLER, LEAGUE FORMATION AND TOURNAMENT PARTICIPATION DWINDLES UNTIL FINALLY THE CENTERS WILL BE UNABLE TO SUSTAIN THEMSELVES

IF THE LEGISLATURE GRANTS A FEW SELECTED MONOPOLIES FOR GAMING, FURTHER EROSION OF THE ENTERTAINMENT DOLLAR WILL RESULT AND THE KANSAS CITY EXPERIENCE WILL BE SPREAD THROUGHOUT THE STATE. WICHITA, HAYS, COLBY, JUNCTION CITY, DODGE CITY AND GREAT BEND WILL

11-2

ALL EXPERIENCE THE SAME TYPE OF REDUCTIONS IN BUSINESS WHICH IN TURN WILL REDUCE EMPLOYMENT AND TAX RECEIPTS.

I WANT TO MAKE IT CLEAR THAT WE ARE NOT OPPOSED TO GAMING IN THE STATE. HOWEVER, NO ONE SEGMENT OF THE ENTERTAINMENT INDUSTRY HAS A MONOPOLY ON THE ECONOMIC PROBLEMS CAUSED BY GAMING IN ADJACENT STATES AND OUR GROUP FEELS THAT ONE SEGMENT OF THAT INDUSTRY SHOULD NOT BE SINGLED OUT FOR MONOPOLY PRIVILEGES WHEN THE TOOLS TO COMPETE WITH MISSOURI ARE BEING HANDED OUT. THE SOLUTION FOR ONE SEGMENTS IS THE SOLUTION FOR THE OTHER.

THEREFORE WE ARE OPPOSED TO A BILL NOT GRANTING ALL SEGMENTS OF THE ENTERTAINMENT INDUSTRY AN OPPORTUNITY TO UTILIZE GAMING DEVICES TO SUPPLEMENT THEIR BUSINESSES. THE BOWLING INDUSTRY VIEWS THESE DEVICES AS ANOTHER WAY TO ATTRACT NEW PEOPLE TO OUR CENTERS, TO KEEP PEOPLE WHO ARE ALREADY BOWLING THERE AND TO INCREASE THE BOWLING LINEAGE. THIS IN TURN STABILIZES OUR BUSINESSES AND PRESERVES AN ECONOMIC BASE WHICH HAS BEEN IN THIS STATE FOR DECADES.

THE BOWLING INDUSTRY DOES NOT SHRINK FROM THE PROSPECT OF FAIR AND OPEN COMPETITION, WE HAVE A GOOD PRODUCT AND COMPETITION ONLY MAKES IT BETTER. HOWEVER, WE FEEL THAT THE COMPETITION SHOULD BE FAIR AND EQUAL AND THAT THE GOVERNMENT SHOULD NOT HELP ONE INDUSTRY AT THE EXPENSE OF ANOTHER.

IV. CONCLUSION

WE FEEL THE CHOICE IS CLEAR. IF I WAS STANDING HERE AS A REPRESENTATIVE OF BOEING, GM OR IBP AND TOLD YOU THAT YOU HAD THE CHOICE OF PASSING ONE PIECE OF LEGISLATION IN FAVOR OF ANOTHER COMPANY, WHICH WOULD COST OUR COMPANY 250 JOBS AT A COST OF 1.8 TO 2.2 MILLION DOLLARS IN ANNUAL SALARIES AND OVER 4 MILLION DOLLARS IN STATE AND LOCAL TAXES OR, ON THE OTHER HAND, THAT YOU COULD PASS ANOTHER PIECE OF LEGISLATION WHICH WOULD NOT ONLY SAVE THE TARGETED INDUSTRY, BUT HELP STABILIZE OUR BUSINESS AND SAVE THESE JOBS AND TAX REVENUES AND POSSIBLY EVEN INCREASE THOSE JOBS AND REVENUES BY RECAPTURING THE BUSINESS WHICH NOW GOES TO MISSOURI, THERE WOULDN'T BE MUCH NEED FOR DISCUSSION. YOU WOULD CHOOSE TO SAVE BOTH INDUSTRIES.

THIS IS ESSENTIALLY THE CHOICE THE KANSAS LEGISLATURE HAS. WE ARE ASKING THAT THE LEGISLATURE CONSIDER GRANTING ALL PARTS OF THE ENTERTAINMENT INDUSTRY, BOWLING CENTERS, RACETRACK AND RESTAURANTS, THE TOOL OF LIMITED GAMING IN THE FORM OF SLOT AND VIDEO LOTTERY MACHINES TO ALLOW US TO COMPETE WITH THE GAMING IN ADJACENT STATES. OF COURSE, THE PRECISE FORMULA FOR THIS SOLUTION NEEDS TO BE REFINED, BUT TO SIMPLY SINGLE OUR ONE GROUP AND GIVE THEM ADDITIONAL MONOPOLY PRIVILEGES ONLY SERVES TO FURTHER THE EVENTUAL DEMISE OF THE KANSAS BOWLING AND ENTERTAINMENT INDUSTRY.