

Approved: March 10, 1997
Date

MINUTES OF THE HOUSE COMMITTEE ON FEDERAL AND STATE AFFAIRS.

The meeting was called to order by Chairperson Garry Boston at 1:30 p.m. on February 20, 1997 in Room 519-S of the Capitol.

All members were present except: Representative Candy Ruff, Excused

Committee staff present: Mary Galligan, Legislative Research Department
Mary Ann Torrence, Revisor of Statutes
June Evans, Committee Secretary

Conferees appearing before the committee: Doug Lawrence, K-RACE
Helen Stout, Kansas Greyhound Association

Others attending: See attached list

The Chairperson appointed a sub-committee on **HB 2159**, Representatives Doug Mays, Chairman, Steve Lloyd, Galen Weiland, Candy Ruff, Troy Findley, Jene Vickrey and Peggy Long. The Charge of the sub-committee is to review all suggestions for amending **HB 2159** with specific emphasis on the ability of the Kansas Bureau of Investigation to provide background checks within the allotted 90 day period, and to provide a balloon to present to the standing committee regarding all suggested amendments. The report shall be due February 25th.

HB 2174 - Certain state-owned and operated lottery games at certain racetracks.

The Chairperson opened the hearing on **HB 2174**.

The Chairperson announced that Greg Ziemak, Executive Director, the Kansas Lottery, was in the audience at his request. Mr. Ziemak would not testify but would answer questions.

Doug Lawrence, Kansans for Racetracks, Agriculture, Charities and Employment (K-Race). The Horse and Dog Racetracks, Animal Breed Groups and others who have an interest in this industry have come together to speak with a single voice. It is a coalition of the many diverse interests from all over Kansas. These interests depend on the success of the racing industry for their livelihood. K-RACE is committed to finding a way to save an important industry that touches all parts of Kansas. Until recently, the Woodlands and Wichita Greyhound Park were the number one and two privately owned tourist attractions in the state. The agricultural elements of this industry includes breeders, trainers, veterinarians and suppliers of feed and grain. Charities associated with this industry contribute millions of dollars throughout Kansas in an effort to make this a better place to live. The racing industry means jobs, real jobs for real people in Kansas. This industry is burdened with a regulatory straight jacket, unfair competition from inside and outside the state, and changes in its core technology and markets.

The appearance of Riverboats in the Kansas City market has had a devastating impact on the racetracks, and associated industries in Kansas. In case you didn't know, the Missouri riverboats have been a tremendous success -- for Missouri. Two Indian Casinos are already open offering all forms of games including slot machines. Another one is opening and Harrah's Casino group has announced plans to build a 35 million dollar casino 20 miles north of Topeka on Highway 75 under an Indian gaming compact with a Kansas Tribe.

As a business, survival is dependent upon your ability to compete. The racing industry is not being allowed to compete in its own marketplace. No business can survive if it is not allowed to update its products to meet the competition. (Attachment 1).

Greg Ziemak responded to questions.

Helen Stout, President, Kansas Greyhound Association and Switzler Oak Greyhound Farm, Burlingame, testified in support of **HB 2174**. After much hard work and time spent getting parimutuel up and running in Kansas, we were in high spirits when the Woodlands and Wichita Greyhound Park opened in 1989. The

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE FEDERAL AND STATE AFFAIRS, Room 519-S
Statehouse, at 1:30 p.m. on February 20, 1997.

handles were good; we were running for over \$95. per point with many weeks over \$100 per point. Since then we hit a low of under \$30 per point in early 1995 shortly after the slots opened on the Missouri riverboats. Last week points were \$39.70. Each kennel earns points according to how their greyhounds finish in the top four places of each race. By allowing the Kansas Lottery to conduct games at the racetracks, our market place would be in a better position to compete with the Missouri riverboats and the Kansas Tribal Casino Gaming. (Attachment 2)

The Chairperson closed the hearing on HB 2174 and stated the hearing would be continued on Tuesday, February 25.

The meeting adjourned at 3:15 p.m.

The next meeting is scheduled for February 24, 1997.

FEDERAL & STATE AFFAIRS COMMITTEE

DATE: 2/20/97

NAME	REPRESENTING
Frances J. Wood	Woman's Christian Temperance Union Churches of the Nazarene in Kansas.
Richard D. Kelsey	
Dave Schneider	Kansans For Life At Its Best
Blou Thompson	Stand Up For Kansas
Bettie "	" " "
W M "Big" Morris	" " " "
Leon Gregory	Gregory's Inc.
John Jewell	Jewel KAE
Jim Nugent	Ozawkie (student)
Wayne Stringer	Friends + neighbors
DELBERT SCHILLING	FAMILY FRIENDS & NEIGHBORS
Glen Callow	FRIENDS & NEIGHBORS
Helen Stout	KBA
Ben Stout	Greyhound Owner
JPSMALL	KS QUARTERHORSE RACING ASSN
Steve Montgomery	Ks. Greyhound Kennel Owners
CONRAD MILLER, JR	KS BRADING PROPRIETORS
Jeff Rutland	Ks. Quarter Horse Breeder
LEE Smith	KQA Bd member Ks QH Racing Assoc. Pres
Allent Hogoborn	Ks QH Racing Assn.
Don	Rover Cubb Assn
Alan Steppat	Pete McGill & Associates
RAWDY HAZEN	Kansas Quarter Horse Racing Assoc.
Carol Bird	Kansas Quarter Horse Racing Association
Leola Anne Horton	Division of Budget
David Fuzell	Eureka News
Wayne Bird	KQTRA
Betty Smith	KQHRA
Charles M Yunker	Ks AMERICAN Legion

FEDERAL & STATE AFFAIRS COMMITTEE

DATE: 2/20/97

NAME	REPRESENTING
Claude Patterson	Leavenworth Church of the Nazarene
Rozann Patterson	" " " "
Diana Otis, Exec. Dir.	Wichita Greyhound Charities
ROY BENNER	Wichita Greenbelt Park
Susan Parson	American Environmental
R.J. Warner	Moose Lodge 555
JOE BERGER	SUNFLOWER CLUBS
Dan Hamer	Visitor
Patrick Wheeler	OTPAK
Keith Haxton	Visitor
Don Rezac	K-RACE
Denise Everhart	K-RACE
Greg Zemanek	Kansas Lottery
John Evans	Kansas Lottery
Bob Honey	Coage Bould
Carol Christensen	self
Alh Lhh	The Woodlands
Jim Edwards	KCCI
Kathy Peterson	K RACE
J.B.	Sunflower
Tracy Drel	SEA
Steve Blandt	Hubbell ASSOC.
Ronna Rypkin	St. Francis Hosp. & Med. Center
David Payne	Kansas Family Research Inst.
Marsha Strahm	CAW of Ks.
Harpe Mackhorn	St. Francis Hospital
Susan Powell	
Bruce Dimmitt	Independent

K R A C E

The Woodlands
The Kansas Thoroughbred Assn.
Camptown Greyhound Park
Wichita Greyhound Charities

Wichita Greyhound Park
The Kansas Quarter Horse Racing Assn.
The Kansas Kennel Operators Assn.
The Racing Association of Kansas East

The 1997 Legislative session is underway and major legislation is on the move. As this session gets started we want to make you aware of our organization. K-RACE stands for Kansans for Racetracks, Agriculture, Charities and Employment. The Horse and Dog Racetracks, Animal Breed Groups and others who have an interest in this industry have come together to speak with a single voice. It is a coalition of the many diverse interests from all over Kansas. These interests depend on the success of the racing industry for their livelihood.

Our organization is committed to finding a way to save an important industry that touches all parts of Kansas. Until recently, the Woodlands and Wichita Greyhound Park were the number one and two privately owned tourist attractions in the state. The agricultural elements of this industry includes breeders, trainers, veterinarians and suppliers of feed and grain. Charities associated with this industry contribute millions of dollars throughout Kansas in an effort to make this a better place to live. And of course the racing industry means jobs, real jobs for real people in Kansas.

This industry, which faces challenges on many fronts, is burdened with a regulatory straight jacket, unfair competition from inside and outside the state, and changes in its core technology and markets. It is an industry which benefits all parts of the state and has the potential of bringing even more benefits, but, it is an industry that is dying today. K-RACE is an organization working to save the Horse and Dog racing industry in Kansas. This industry is important to Kansas, and Kansans.

Doug Lawrence, Don Rezac, Denise Everhart, Kathy Peterson, Steve Montgomery and Jonathan Small will be working on behalf of K-RACE this legislative session. We know you will have questions, and we will make ourselves available at every opportunity to answer them. We are also here to listen. You will find us flexible and willing to work at any level to find a way to save this industry for Kansas. We look forward to working with you as you address the issues which face this important industry today.

K R A C E

The Woodlands
The Kansas Thoroughbred Assn.
Camptown Greyhound Park
Wichita Greyhound Charities

Wichita Greyhound Park
The Kansas Quarter Horse Racing Assn.
The Kansas Kennel Operators Assn.
The Racing Association of Kansas East

February 20, 1997

Thank you for this opportunity to address this very important issue. I represent K-RACE, Kansans for Racetracks, Agriculture, Charities and Employment. The members of our association – those who are funding our effort – are listed on the top of our letterhead. K-RACE is a broad coalition working to save the horse and dog racing industry in Kansas.

We have several conferees here today to address various parts of this issue, I would like to focus on the bill itself, and the reasons it is necessary.

First, let me say, we believe the Horse and Dog Racing Industry, and the associated businesses are good for Kansas. The racetracks produce jobs, employing more than 800 people. They have contributed millions of dollars to charities which are spread all across Kansas. The tracks represent an important agricultural marketplace. Horse and Dog Breeders, as well as trainers come from all over Kansas and contribute to the economy of nearly every county in Kansas. There are representatives of both the Horse and Dog Racing Industry here today to address this issue more fully.

These are hard times for the racing industry. The Woodlands total attendance in 1990 was more than 1.7 million visitors. In 1996, with the proliferation of riverboat casinos, that number fell to less than 400 thousand. The Wichita Greyhound park attendance was more than 750-thousand in 1990. Last year, it had fallen to 315-thousand.

The appearance of Riverboats in the Kansas City market has had a devastating impact on the racetracks, and associated industries in Kansas. In case you didn't know, the Missouri riverboats have been a tremendous success – for Missouri. The Palace Station Casino has the world's fourth largest casino floor, it has just opened. The Kansas City Riverboats represent a 317 million dollar industry in that market alone. Based on the Missouri Gaming Commission's figures, more than 5.2 Billion dollars were wagered on the boats in 1996. The casino industry is integral into the Kansas City Marketplace today. I believe it is impossible to draw a distinction between Kansas City, Kansas and Kansas City, Missouri in regards to marketplace.

Besides the Missouri Riverboats, Kansas has Casinos too. Two Indian Casinos are already open offering all forms of games including slot machines. Another one opens next week. And the Harrah's Casino group has announced plans to build a 35 million dollar casino 20 miles north of Topeka on Highway 75 under an Indian gaming compact with a Kansas Tribe.

As a business, survival is dependent upon your ability to compete. The racing industry is not being allowed to compete in its own marketplace. No business can survive if it is not allowed to update its products to meet the competition. Two years ago, the legislature expanded bingo games to help charitable bingo operations. That industry needed new games in order to compete. We are asking for the same opportunity

Kansans are choosing gaming as an entertainment alternative. Every year, the Harrah's Group releases a survey of the gaming habits of Americans. As a part of that annual study, Harrah's identifies cities and states which generate significant casino visits. In 1995, for the first time, Wichita, Kansas was listed as an urban feeder market. A city which does not have casinos, but generates more than 500-thousand visits per year to a casino somewhere in the country. In that same 1995 study, Kansas was listed as a feeder state ... for the first time. That's a state that generates at least one million casino visits to casinos outside of its borders.

My point is simple. Kansans not only have access to gaming entertainment, they are choosing in a free marketplace to play those games. The inability to respond to this consumer interest is destroying the racetracks. That is the reason for House Bill 2174.

The purpose of this bill is to allow the tracks the opportunity to offer some lottery games under the Kansas Lottery. These games are intended to offer the tracks something to market, in an effort to compete for the gaming entertainment dollar. We believe we can compete, if given the opportunity.

This bill is based on last year's Senate Bill 754, with some modifications. That bill passed the Senate last year with 26 votes. But did not arrive in the House until very late in the session.

The bill creates a special class of lottery retailer, called the Racetrack Lottery Retailer. It authorizes four games for the lottery, and allows those games to be offered by Racetrack Lottery Retailers. It increases the Payouts to players for those games, to make them competitive with casino offerings.

The games are Keno, Call Bingo, Instant On-Line Bingo, and Pari-Mutuel on-line Lottery games. The bill keeps the slot machine definition from last year's bill, and includes the strengthens the video lottery terminal definition. Both the slot machine and video lottery terminal definitions are used to prohibit those machines for both the lottery and the Pari-Mutuel on-line Lottery game. In addition, we have added a requirement that the Governor approve any additional game offered by a racetrack lottery retailer. All of these games must be part of a contract to be negotiated with the lottery, and approved by the racing commission. And those contracts are one year in length. The bill also requires the racetrack lottery retailers to pay the expenses associated with these games.

This bill does include an increase in the commissions paid to regular lottery retailers as well. From 5 percent to 7.5 percent. The increased commission represents an additional 4 million dollars paid to businesses throughout the state for their important role in the success of the lottery.

This bill does not grant an exclusive arrangement to the racetracks. We believe this committee needs to decide whether other entertainment facilities should be allowed to offer similar games, and the extent to which those games should be offered. This bill clearly outlines the business arrangements for the racetrack lottery retailers. If you decide to allow these games at other locations, we would only ask that you place similar expense and operational requirements on those other retailers, that we must meet.

Some will say that the racing industry is dying. But history tells us otherwise. If Racetracks are allowed to update their products, and offer games similar to others already available in a state, the tracks do well. In Iowa, the Prairie Meadows racing facility in Des Moines is a good example. A prominent, and persistent money loser, the track is now a big winner for the Horse Industry, the County that owns it, and the state. In Iowa, Racetracks compete well with riverboats. And attendance at the tracks is up, racing wagers are up, purses are up, and the Iowa breeds are growing significantly in number.

Our opponents will call anything we seek to do, a casino game or a slot machine. Their purpose is clear, to kill this bill. To kill this bill is a death blow to an important industry in Kansas. Two tracks are in bankruptcy, a third is losing large sums of money. We are willing to work with you, and anyone else who is committed to making the Horse and Dog Racing Industry viable in Kansas.



The Woodlands
The Kansas Thoroughbred Assn.
Camptown Greyhound Park
Wichita Greyhound Charities

Wichita Greyhound Park
The Kansas Quarter Horse Racing Assn.
The Kansas Kennel Operators Assn.
The Racing Association of Kansas East

Key Points

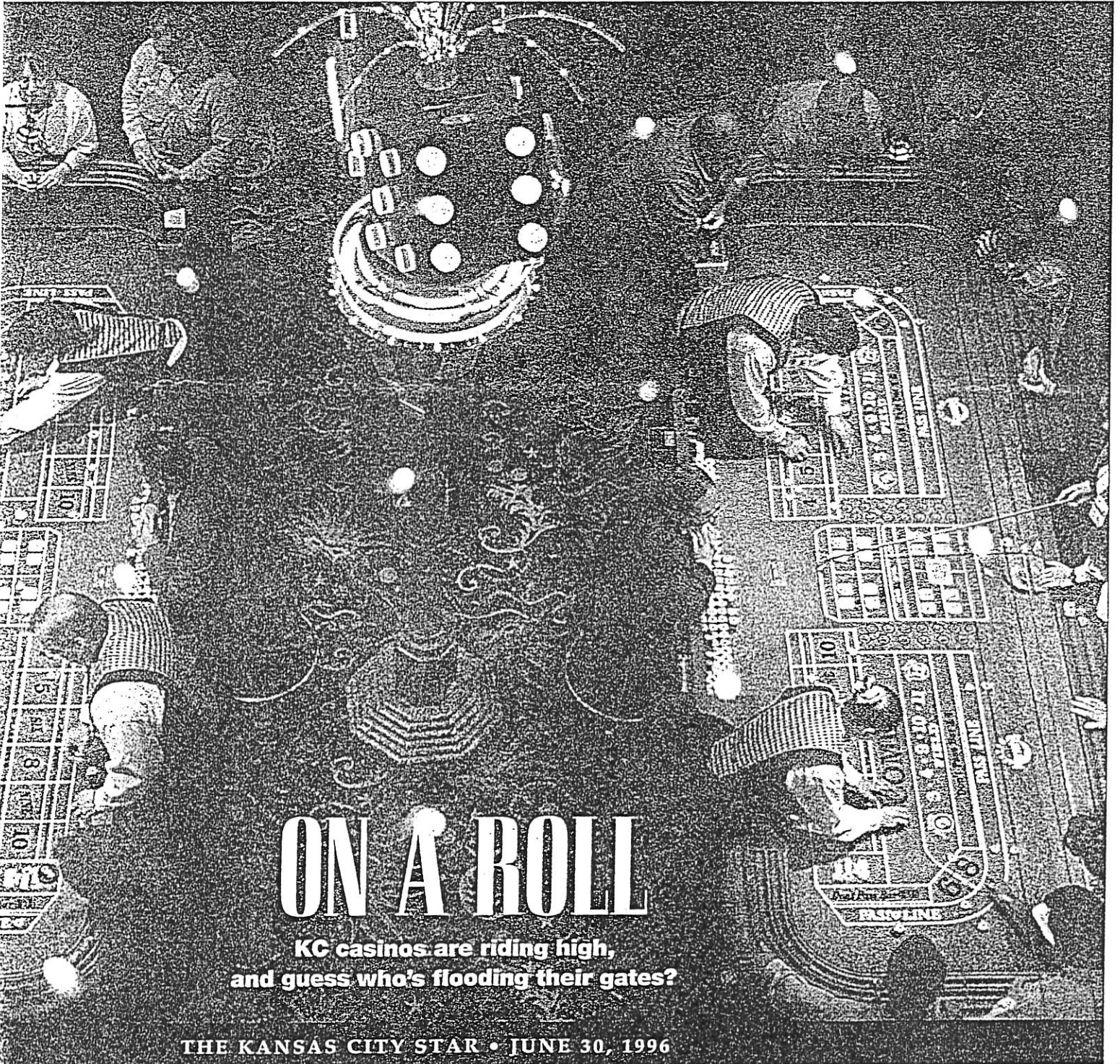
New Games (Pg. 3 Lines 10-16)

- A. **Keno** (defined Pg. 1 Lines 39-43 and Pg. 2 Lines 1-3)
 - B. **Call Bingo** (Uses Existing Statutory Definition K.S.A 79-4701)
 - C. **Instant On-Line Bingo** (defined Pg. 2 Lines 38-40)
 - D. **Pari-mutuel on-line lottery game** (defined Pg. 2 Lines 21-31)
- Specifically authorized for Racetrack Lottery Retailers, but no specific prohibition or exclusive arrangement for other lottery retailers.
 - All new Racetrack Lottery Games must be approved by the lottery commission and Governor. (Pg. 12 Lines 23-26)
 - Expense of promotion and operation for Racetrack Lottery Games paid by Racetrack Lottery Retailers (Pg. 4 Lines 31-34)
 - Payback to winners approved by lottery commission ranging from 80% to 95% of wagers for racetrack lottery games (Pg. 12 Lines 15-16)
 - Slot machine and VLT prohibition for lottery and Racetrack Lottery Retailers
 - Prohibition for Lottery (Pg. 11 Lines 27-29)
 - Prohibition for Racetracks (Pg. 3 Lines 14-16)
 - Definition of Slot Machine (Pg. 3 Lines 31-37)
 - Pari-Mutuel on-line lottery game constrained to a truly pari-mutuel wager and payoffs where the players are playing against each other rather than the house.
(Defined Pg. 2 Lines 21-31)
 - Racetrack Lottery Retailer contracts renewed annually
(Pg. 4 Lines 23-24)
 - 10% of net game revenue to the State, with no additional expense involved (free and clear) (Pg. 6 Lines 37-43)
 - 20% to enhanced purses and breeder awards to Kansas-Bred animals
(Pg. 7-8 Subsection f)
 - 1% Direct award to Associated Charities
(Pg. 8 Lines 9-24)
 - Increased commission to existing lottery retailers on existing lottery games 7.5%
(Pg. 13 Lines 28-29)
 - Instant on-line Bingo specifically authorized for regular lottery retailers
(Pg. 13 Lines 28-29)

INSIDE: THEY LOVE AMERICA

STAR

MAGAZINE



ON A ROLL

KC casinos are riding high,
and guess who's flooding their gates?

THE KANSAS CITY STAR • JUNE 30, 1996

1-5

TAKING A CHANCE ON THE BOATS

THE AVERAGE GAMBLER AT KC CASINOS
LOOKS A LOT LIKE YOU AND ME

Build it, and they will come. But if you've built a casino in Kansas City, get out of the way fast or they'll trample you in the doorway.

In just two years, this area's casinos have matured from an infant industry into — at least — a teen-ager. One million visitors surge each month into four floating gaming parlors. Since Jan. 1, they've left behind \$25 million a month.

Every month. Who are these people? And where's all that money coming from?

To answer that, *STAR Magazine* set out to assemble a mosaic of the average Kansas City gambler. And what we found, in a word, was *us*.

Research by the gaming industry shows the typical American gambler is almost a mirror image of the typical American — only more educated, more affluent and a little older.

Locally, most gamblers live in the Kansas City area — in an Argosy Riverside survey, 88 percent said they'd driven 45 minutes or less from home. And they're pretty evenly divided, men and women.

Many live well — 33 percent in a Sam's Town survey said their household incomes topped \$50,000. And they're well-educated — 55 percent of those surveyed by Harrah's North Kansas City said they'd gone to college and/or earned a degree. The median age at Harrah's: 42.

And they are people like Edward, a recovering gambling addict in his late 20s. And Patricia Dugan, a 59-year-old grandmother of four who budgets a small slice of her retirement income for gambling.

Dugan, a North Kansas Citian, visits an area casino a couple of times a month. "Maybe more, if I'm winning."

She says it's the chance of winning big on the slot machines — she hasn't yet — that brings her back. She likes "to hear those dollars falling" into the tray.

BY

Rick Alm

PHOTOS BY

Marcio Jose Sanchez

CONTINUED ON NEXT PAGE

Harrah's

North Kansas City

Male	54%
Female	46%
Median age	42 years
Median family income	\$38,300
Degree or some college	55%
Employment	
White collar	52%
Blue collar	33%
Retired	7%

Source: Harrah's

Sam's Town

Kansas City

Male	49%
Female	51%
Age	
21-35	27%
36-50	35%
51-65	22%
65 and older	13%
Household income	
Under \$25,000	28%
\$35,000 to \$50,000	25%
Over \$50,000	33%
Race	
White	91%
Black	7%

Source: Sam's Town

Argosy

Riverside

Male	49%
Female	51%
Age	
21-24	5%
25-34	15%
35-54	35%
55-64	20%
65 and older	16%
Personal income	
Under \$15,000	13%
\$15,000 to \$24,999	19%
\$25,000 to \$49,999	40%
\$50,000 to \$74,999	16%
\$75,000 to \$99,999	5%
\$100,000 and above	4%
Drive time from home to casino	
Under 15 min.	38%
15 to 45 min.	50%
45 minutes or more	12%

Source: Argosy

The Star

'I can afford to lose'

That sweet sound and the clamor on the casino floor is almost all that Edward heard during his eight-month binge. Today he's getting help for a slot-machine addiction that left him thousands of dollars in debt to family and friends.

"I liked winning," he says. "I enjoyed the people and watching the pretty girls and watching everybody have fun. I'd cheer 'em on, and they cheered me on.

"Even when I'd had enough, I'd keep on going. It's excitement. It's a rush."

Alice Baker, 60, of tiny Oakview in Clay County, agrees. She's gambled recreationally for years in exotic places — Cairo, Egypt, and the Acropolis in Greece — and at remote Indian reservations in Minnesota via bumpy tour-bus rides from Kansas City.

For her, there's simply no place like a casino for sheer, adrenaline-pumping excitement. "When you walk in the door, and you hear all those bells ringing, it's like, 'Whoa!'"

Widowed and financially comfortable, Baker can afford her passion for the games — much like the cadre of corporate executives and business owners that Argosy General Manager Phil Saluter sees regularly at his tables in Riverside.

Like Jim Lorange.

"I love to gamble. Always have," says the 53-year-old Kansas City, Kan., man who's president of an insulation contracting firm.

Visiting the craps and blackjack tables as often as four times a week is his way of unwinding from 70-hour workweeks.

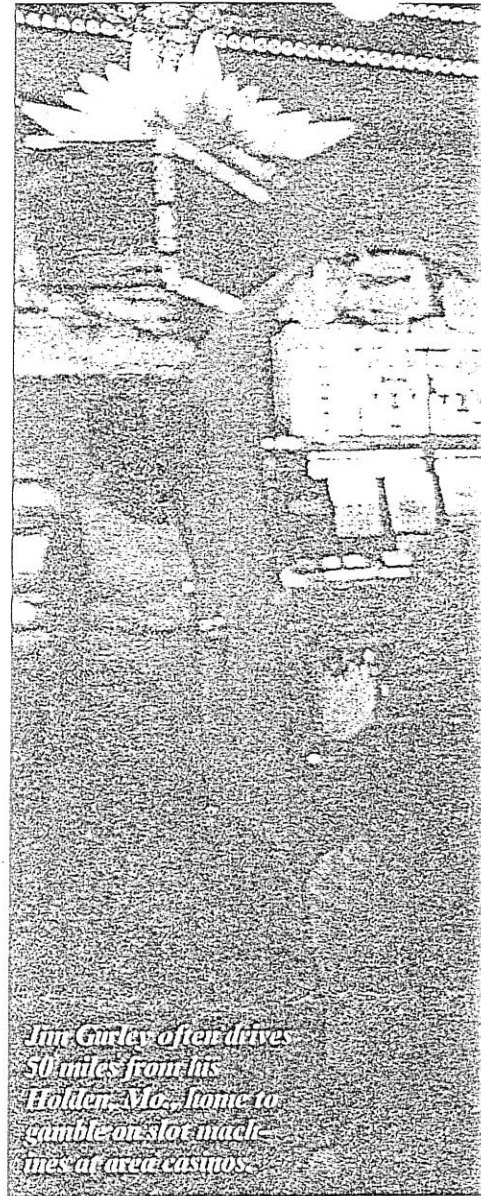
"I don't golf. I don't bowl. I barely get to a picture show and never watch TV ... I can afford to lose ... and I limit myself."

Area casino executives say the backbone of their industry is the seemingly endless flow of occasional gamblers who come for the food and the fun, and who spend modestly — losing an average of \$26 per visit.

Argosy's customer survey found the No. 1 reason people gambled was "entertainment." Much farther down the list was "hope of winning" and "need the money."

The crowded, glittering casinos, with their sports bars, inexpensive restaurants and party atmospheres, are becoming popular gathering spots, especially for singles.

"We are more consistently hearing people say they are spending more time



Jim Gurley after drives 50 miles from his Holden, Mo., home to gamble on slot machines at area casinos.



Gamblers file through the turnstiles on a Friday in North Kansas City.



...yde Hutchings of Kansas City after he spun the prize
...nsas City.

at the casinos" to meet and mingle with other singles, said Darin Davis, owner of a Kansas City dating service, Together Personal Introduction Service Inc.

Casino executives notice that too, he adds. They're talking to Davis about holding sports-bar singles nights and other special events.

"Somebody sees a trend," he says.

This isn't Las Vegas

For years, Branson has been Missouri's No. 1 drawing card attracting an estimated 6 million visitors a year.

Brace yourself. Missouri's riverboat casino industry is on a pace to draw 22 million visits — with gross income in excess of \$500 million — for the 1996 fiscal year that ends today.

That outstrips the combined annual headcounts at all Royals, Chiefs, St. Louis Cardinals and Rams home games — plus almost any other fistful of the state's top attractions, including Six Flags Over Mid-America, Worlds and Oceans of Fun and the St. Louis Gateway Arch.

If Americans — and Kansas Citians — are gambling more, what are they doing less?

So far, that eludes clear answers.

Carl Degen, executive director of the Kansas City-based Missouri Restaurant Association, suspects gamblers used to spend lots more time and money at dining establishments or in area shopping malls, movie theaters, ball parks and other entertainment venues.

"This is not Las Vegas," says Degen. "We don't have people jetting in here to play at the casinos. That cash is coming from this regional market ... and frankly I am amazed.

"I didn't realize there was that much money in Kansas City looking for a place to go."

Gaming industry experts say there's a lot more out there to be had — \$5 million to perhaps \$25 million more each month.

"I think what's lost on people is the size of Kansas City's economy," says Richard J. Klemp, a lobbyist for Harrah's Entertainment Inc., which operates nearly two dozen U.S. casinos, including two in North Kansas City. "There's probably a million dollars worth of soda pop sold here every month."

CONTINUED ON PAGE 12

Casino patrons may look a lot like you

She's 47, holds down a white-collar job. She's gone to college, possibly holds a degree or even a post-graduate diploma.

Her annual household income is \$39,000. And she visits a casino — probably within 100 miles of home — four or five times a year.

Call her Everygambler, a prototype American casino visitor that emerged from a 1995 nationwide survey for Harrah's Entertainment Inc. And if she is just your everyday gambler, then riverboat casinos apparently are a favorite playground of the nation's graying, baby-boomer generation.

Harrah's, the mega-gaming company based in Memphis, Tenn., operates two casinos in North Kansas City. It has since 1991 commissioned a widely used annual survey of American gambling habits.

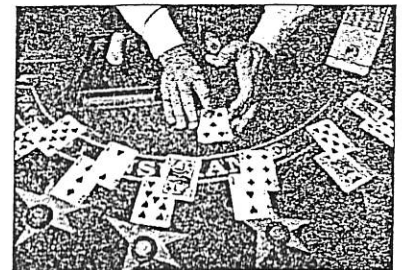
In the 1995 survey, 21,370 gamblers responded to questionnaires and follow-up personal interviews.

For the first time, Wichita made Harrah's annual list of casino-less urban feeder markets, those cities that generate at least 500,000 annual casino visits somewhere in the country.

Likewise, Kansas for the first time was listed as a feeder state that exports at least 1 million casino visitors a year.

In coming months, even more out-of-staters can be expected locally as Harrah's and the soon-to-open Kansas City Station Casino cut the ribbons on their own 200-room hotels to accommodate conventions, tours and vacationers.

— Rick Alm



side TIPS

VERTISER'S GUIDE TO
EST IN KANSAS CITY



Free Delivery Available!
WOOD MULCH • 10600 E 350 Hwy • 358-5408

release



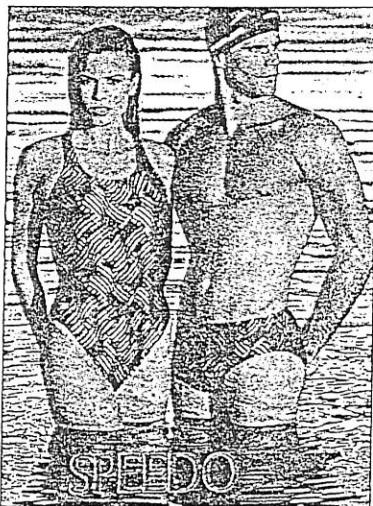
Child"
Limited Edition

aysals of nostalgic
g out cherished
your heart.

ts available at:

Gallery
Framing
pendence, MO
0-0151
y Framing Specials

4th of July '96



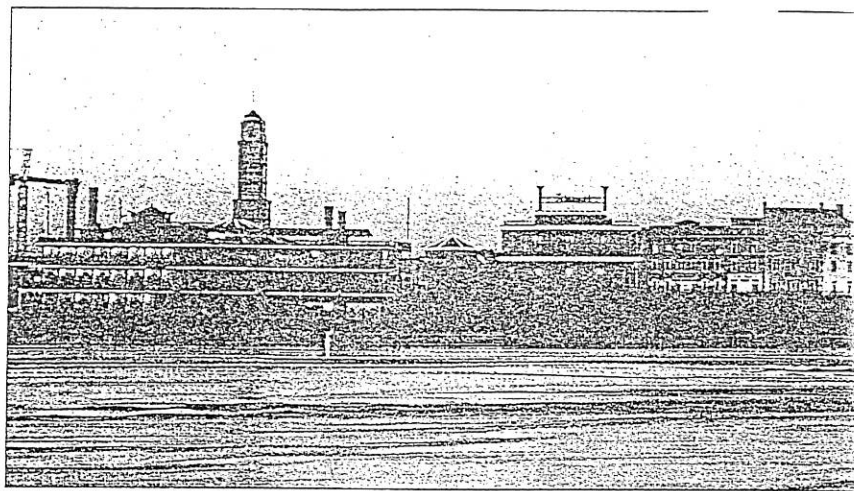
The largest selection of swimwear for
women, men & children



7920 Santa Fe • O.P., KS
649-8456

Oak Park Mall
Upper Level
492-8456

Town Center Plaza
4841 W 117th St.
345-9988



One million visitors a month frequent the area's four casinos including Harrah's in North Kansas City.

Blame the casinos

George Rafael, an economist with the Missouri Department of Economic Development, estimates spending on all sales-taxable goods and services at around \$965 million per month in the 11-county metro area.

But don't try convincing some local businesses and restaurants that the riverboats' share is modest.

Sales at Mitch Boosman's Triggers & Tackle sporting goods in Blue Springs were off 15 percent in the last year.

"It used to be on a rainy day, all the construction workers would be off and we'd be busy," he said. "Not now. When we ask them where they've been, they say they've been down to the boats.

"We don't have a scientific explanation for it. But we know it's definitely affecting us."

Norm Powell, general manager of Sam's Town Casino, doesn't buy that.

"When the golf course business is down, they blame the casinos," Powell says. "When car sales are down, they blame the casinos. I think just about any business that is off in Kansas City blames the casinos."

Overall, however, business isn't off. From '94, when the first boat opened, to '95, spending on sales-taxable goods and services was up 10 percent in Johnson County and 9.8 percent in Jackson County.

In Johnson County, restaurant sales

tax collections were up 8.7 percent in that period, and major appliance and furniture sales increased 28 percent.

Jackson County movie theater ticket sales went from \$17.4 to \$20.6 million. Bowling alleys, other amusement and recreation vendors, new and used car sales, restaurants, taverns, hotels and motels also reported increased sales.

Missouri lottery ticket sales, which hit \$256 million in 1993, are on a \$435 million pace this year.

One dramatic downturn: the Woodlands. The pari-mutuel horse and dog racing track in Kansas City, Kan., once enjoyed a standing-room-only monopoly on legalized gambling in the region. This year it filed for bankruptcy, although it remains open.

Problem gamblers such as Edward always will invest too much.

He says there were days and weeks at a stretch between paydays and loans from friends when he had no money to gamble — or eat.

"I knew I had a problem, and I had no money. I was living on 39-cent cans of tuna and water."

But there are far more like Dugan, who gambles only what she can afford to lose — the \$50 or \$100 she invests in each casino visit.

"I budget myself," she says.

Except sometimes, she admits cheating a bit and shorting the household budget. Her non-gambler husband hardly notices.

"He goes fishing."

— Rick Alm is a writer for The Star.

All U.S. casinos

Male	50%
Female	50%
Median family income	\$39,000
Median age	47
Employment	
White collar	43%
Blue collar	31%
Retired	16%
Other	10%

Source: Harrah's

The Star



SWITZLER OAK GREYHOUND FARM

Ben and Helen Stout - 1010 North Osage - Burlingame, Ks. 66413 - 913-654-3350

February 20, 1997

Members of The House Federal and State Affairs Committee:

I'm Helen Stout from Burlingame, Kansas. We have a small greyhound farm near Burlingame and one of the contract kennels at The Woodlands. We also have some greyhounds at Wichita Greyhound Park and had a number running at Camptown Greyhound Park until it closed. I'm a member of the National Greyhound Association and I'm presently serving as president of the Kansas Greyhound Association.

After much hard work and time spent getting pari-mutuel up and running in Kansas, we were in high spirits when The Woodlands and WGP opened in 1989. The handles were good; we were running for over \$95.00 per point with many weeks over \$100.00 per point. Since then we hit a low of under \$30.00 per point in early 1995 shortly after the slots opened on the Missouri riverboats. Last week points were \$39.70. Each kennel earns points according to how their greyhounds finish in the top four places of each race.

With less money available, trainers and kennel help have had to take cuts in wages. Kennels and farms have had to lay off help. At The Woodlands the kennel roster is down to fourteen from eighteen. This cuts the "pie" of kennel purses into less pieces which helps. Of the original 18 contract kennels that started in 1989, only three remain. There have been at least fifteen kennels leave due to poor purses, some leaving after running only a few months. At Kansas City, we have been down to none on the waiting list wanting kennel contracts. At one time, over 100 kennels wanted to race there. During the pari-mutuel enabling legislation, programs to promote greyhound farming in Kansas were formed. This not only helped our greyhound industry but the economy of many suppliers. Fifty percent of breakage is paid to Kansas whelped greyhounds (puppies whelped and raised in Kansas for at least the first six months of their lives) in the form of additional purses for each time they win a race. This along with stakes races for only Kansas whelped greyhounds, brought many females to Kansas board farms to have their puppies. The "trickle down" of money from this along with the better purses of years past, helped the truck and trailer dealers sell more trucks and trailers; the agri-business of feed, supplies, and veterinarian services

Fed & State
2-20-97
Atch #2

sell more feed, supplies, and services; there was more money for all kinds of shopping--nearly all of which was spent in Kansas. Money for this Kansas whelped fund decreased from \$202,079.00 in 1993, to \$161,228.00 in 1994, to only \$61,500.00 in 1996 for greyhounds racing at The Woodlands alone. Also during the enabling legislation, funds were created for promotion of greyhound research and tourism. In August of 1991, over 350,000 dollars was allotted to research projects at Kansas schools, primarily KSU in Manhattan. It decreased to \$212,418.99 in 1995 which hurts our Kansas schools and students. The tracks have generated significant amounts for promotion of tourism. In 1994, it was over 105,000 dollars but has decreased proportionately to the research funds. We all know that tourism in our great state benefits many businesses, therefore strengthening the economy.

Several hundred thousand dollars, which are generated from The Woodlands and WGP, are spent to help support the Eureka and Anthony Downs fair meets. As you can see, sometimes the "trickle down" turns into rivers of life for some businesses and entities.

The total purses paid to greyhound farmers or owners and the kennel owners has decreased at The Woodlands from \$6,757,191.78 in 1993, to \$4,694,486.97 in 1994, to \$2,773,000.00 last year. This reflects why all parts of the industry from the greyhound farmer to the kennel owner at the tracks, to all the suppliers and entities benefiting from pari-mutuel racing have had to tighten their belts. This includes the state which gets monies from the various taxes paid by the tracks and other segments of the greyhound industry. I haven't even touched on what was given to support the various charities. I'll leave that for someone else.

Kansas is home to the Greyhound Hall of Fame and the National Greyhound Association in Abilene. The Hall of Fame is recognized as one of the best of Hall of Fames in the nation, along with the Cowboy Hall of Fame in Oklahoma, and the Ag Hall of Fame in Bonner Springs. The NGA is the greyhound registry for the North American continent.

We have greyhound farmers in many areas of the state, including at least nine in my home county of Osage. Because of low purses here, many are forced to look to other states in which to race. I grew up on a "regular" farm not far from where we now live. I've lived nearly all of my life on a farm.

I've always said that a greyhound farm is like any other farming operation. We just produce a little different type of product. But like all farmers, our investment is all in the product before we know what the market will pay us.

All this brings us to why we're here today. That is to ask for your support of HB 2174 to bring life back to our markets of live racing in Kansas. The racetracks are our market place like the grain elevator is the market place for the grain farmer. As you can see, this is not just a racetrack issue but a matter of being able to make a living for the grass roots greyhound farmers and their suppliers across our state. By allowing the Kansas Lottery to conduct games at the racetracks, our market place would be in a better position to compete with the Missouri riverboats and the Kansas Tribal Casino Gaming.

We've had several legislators visit our farm and I'd like to extend an invitation to each of you. Just give us a call to set a time.

Last, I want to thank you for your attention and your consideration of HB 2174.

Respectfully submitted,

A handwritten signature in cursive script that reads "Helen Stout".

Helen L. Stout