

Approved: April 9, 1999
Date

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS.

The meeting was called to order by Chairperson Senator Lana Oleen at 11:10 a.m. on March 18, 1999 in Room 313-S of the Capitol.

All members were present:

Committee staff present: Mary Galligan, Legislative Research Department
Russell Mills, Legislative Research Department
Theresa Kiernan, Revisors of Statutes
Judy Glasgow, Committee Secretary

Conferees appearing before the committee:

Senator Sherman Jones
Brad Smoot
Phil Ruffin, Wichita Greyhounds
Tom Ahart
Gary Guccione, National Greyhounds Assoc.
Steve Montgomery, Greyhound Kennel Owners
Katherine Simmons, City of Frontenac
Don Denney, Unified Gov. of Wyandotte Co., Kansas City, Ks
Glenn Thompson, Stand up for Kansas
Frank DeSocio, Kansas Bowling Proprietors Association
Dave Schneider, Kansas for Lift at it's Best
Wendell Maddox, The Humane Society of the U.S.
Rebecca Rice, Kansas Clubs and Associates
Lester Lawson, Kansas Clubs and Associates
Chuck Yunker, American Legion
Jeff Rutland, Kansas Quarter Horse Racing Assoc.
Ralph Lilja, Horseman's Protective & Benevolent Assoc.
Laura Abeyta, Prairie Band Potawatomie Nation

Others attending: See Attached List

Chairman Oleen requested clarification from staff on **SB 329** regarding the sales tax portion. An amendment has been submitted which would remove the sales tax; this is clarified with a footnote

Chairman Oleen opened hearing on **SB 329 Video lottery games;**

Chairman Oleen recognized Senator Jones, who spoke as a proponent for **SB 329**. Senator Jones stated that this bill would bring economic development to Kansas City, Kansas and Wyandotte County. He stated the area has a new NASCAR race track that will open soon; it will draw between 75,000 and 85,000 people to the area for three to four days of racing and this bill will provide these people additional activities to do after the races. Senator Jones ask the committee to favorably consider this bill.

Chairman Oleen recognized Senator Gilstrap, a proponent for **SB 329**. Senator Gilstrap stated that the people of Wyandotte County voted a nonbinding referendum vote to allow slot machines at the Woodlands race track; the vote was 86 percent in favor, 14 percent opposed. He asked that the committee favorably consider **SB 329**.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS, Room 313-S
Statehouse, at 11:10 a.m. on March 18, 1999.

Chairman Oleen called on Brad Smoot, representing the Kansas Racing Limited Liability Corporation, that owns the Woodlands in Kansas City, Kansas. Mr. Smoot noted that a handout was provided for the committee which provides financial data about the impact of **SB 329** on the state of Kansas and on particular communities in Kansas. (Attachment 1. Included in this handout was Exhibit B, an article from *The Wichita Eagle*, dated March 16, 1999, from the Our View column entitled *Guess What?*).

He stated that information was included making comparisons with the state of Iowa and the Missouri river boats. Mr. Smoot discussed the amendments offered that address several concerns raised; some technical, other relating to the constitutional or regulatory requirements of gaming legislation. And other amendments concerned negotiated terms with parimutuel interests. He urged the committee's favorable action on the amended version of **SB 329**.

Chairman Oleen called on Glenn Thompson, Stand Up for Kansas an opponent to both **SB 329** and **SB 330**. Mr. Thompson stated that casinos permitted by these bills would create numerous social and economic problems. (Attachment 2) He stated that a casino at the Wichita Greyhound Park would make casino machines accessible to over 600,000 citizens within a 50 mile radius, in Sedgwick county and 12 other surrounding counties. Mr. Thompson urged the committee to vote no on both **SB 329** and **SB 330**.

Chairman Oleen recognized Frank DeSocio, Kansas Bowling Proprietors Association an opponent to **SB 329** and Proponent to **SB 330**. Mr. DeSocio stated the race tracks do not have a monopoly on the downturn in business. (Attachment 3) He stated that all segments of the entertainment industry in Kansas have felt the presence of river boat gambling, and the bowling industry is no exception. Mr. DeSocio stated that the State should not single out one group and give them additional monopoly privileges when to do so will hasten the decline of other entertainment segments in Kansas. He urged the committee to oppose **SB 329** and support **SB 330**.

Chairman Oleen called on Dave Schneider, Kansas for Life at its Best, an opponent to **SB 329** and **SB 330**. Mr. Schneider stated the effect of these bills would move the state from being a neutral referee of the political process to an antagonist in the battle. (Attachment 4, included in the handout was an editorial from *The Wichita Eagle*, dated January 17, 1992 by Denney Clements). Mr. Schneider stated that it would be unwise for the state to abandon its traditional role as neutral referee concerning gambling.

Wendell E. Maddox, Jr., regional director, The Humane Society of the United States was recognized by Chairman Oleen. Mr. Maddox spoke as an opponent to **SB 329** and **SB 330** because they are aimed at propping up the failing pari-mutual dog racing industry. (Attachment 5, included in the attachment was an October 19, 1986 article by Tim Carman from *The Kansas City Star* entitled *Racing Opponent raises Humane Issue*; also included was a *Kansas City Star* Editorial dated May 1, 1986 entitled *Mixed in Kansas*. An editorial from *The Kansas City Times* dated 10-13-86 entitled *Racing's Other Victims*. A publisher's letter entitled *Horse Racing Creates More Jobs than Dog Racing*, from the March 1988 *Kansas Business News*. An Editorial from October 17, 1986 *The Kansas City Times*, entitled *Spare Kansas from Big Cigars*. An article entitled *Gambling amendment Opposed* from the October 10, 1986 *Kansan*.) Mr. Maddox urged a no vote on **SB 329** and **SB 330** and stated that it is time to stop exploiting animals for the sake of profit and greed.

Rebecca Rice addressed the committee, representing the Kansas Clubs and Associates as an opponent to **SB 329** and as a proponent to **SB 330**. Ms. Rice stated that legislation which grants a monopoly license for most of the gambling revenue earned by lottery retail contractors to just two individuals is bad public policy (Attachment 6). Ms. Rice spoke in support of **SB 330** on behalf of the Kansas Clubs and Associates. (Attachment 7). Rebecca Rice stated that choosing one business owner over another for competitive advantages inherently designed to cripple the non-state endorsed business, supports state-sponsored economic engineering. She asked the committee to favorably consider **SB 330** as a fairness issue, if gambling is to be expanded.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS, Room 313-S Statehouse, at 11:10 a.m. on March 18, 1999.

Chairman Oleen recognized Representative Chris Steineger as a proponent of **SB 329**. Representative Steineger stated that people like the opportunity of winning something of value by taking a chance. (Attachment 8) He listed the many ways Kansans now have this opportunity of winning something in Kansas.

Chairman Oleen recognized Phil Ruffin, owner of Wichita Greyhound Park, a proponent of **SB 329**. Mr. Ruffin stated that the racetracks in Kansas need to be allowed to improve, update and modernize their products in order to offer the same popular attractions as their competitors. (Attachment 9) Mr. Ruffin asked the committee to take the necessary steps to allow racing to update and compete by supporting **SB 329**.

Gary Guccione, Executive Director of National Greyhound Association was recognized by Chairman Oleen. Mr. Guccione stated that Greyhound breeders and owners of Kansas and elsewhere in the United States are in favor of the general intent of **SB 329**. (Attachment 10). Mr. Guccione stated that the livelihood of many thousands of Kansans who work in the racing industry would be seriously affected should the Kansas tracks close.

Chairman Oleen recognized Lester Lawson, president of Kansas Clubs and Associates, an opponent to **SB 329** and a proponent to **SB 330**. Mr. Lawson stated that **SB 329** would reward the track owners excessively at the expense of small businesses. (Attachment 11). Mr. Lawson stated that **SB 330** is much fairer to Kansas and all retailers. He asked that the committee give careful consideration to the two bills and recommend the one which is fairer and which is the most beneficial for everyone.

Chairman Oleen recognized Chuck Yunker, The American Legion, as an opponent to **SB 329** and **SB 330**. Mr. Yunker stated that passage of **SB 329** will ensure the end of bingo in even more communities where profits are used locally to benefit local programs. (Attachment 12). Mr. Yunker stated that if Kansas allows video gaming it should do so in a reasonable fashion which strictly limits access to machine.

Chairman Oleen recognized Jeff Rutland, representing the Kansas Quarter Horse Racing Association, as an opponent to **SB 329**. Mr. Rutland stated that **SB 329** is designed to bring casino gambling to Kansas on the backs of the parimutuel racing industry. (Attachment 13). Mr. Rutland stated that **SB 329**, if passed into law would sound the final bell for the Kansas Quarter Horse and Thoroughbred Racing Industry. He urged the committee to vote no on **SB 329**.

Chairman Oleen recognized Laura Abeyta, Prairie Band Potawatomi Nation. Ms. Abeyta stated that she appeared as neither a proponent nor an opponent to **SB 329** and **SB 330**. (Attachment 14). Ms. Abeyta stated that the state does receive money from the casinos. In 1998 their casino and its employees paid 6.8 million dollars in State and Federal taxes last year. She cited other numerous economic developments in Jackson County as a result of the casino.

Chairman Oleen recessed the meeting at 1:10 p.m and announced the meeting would reconvene at 3:00 p.m at a location to be announced.

The meeting was reconvened at 3:00 p.m. in room 529-S of the Statehouse, for the continued hearing on **SB 329** and **SB 330**.

Chairman Oleen called on Thomas Ahart, Kansas City, Kansas as a proponent for **SB 329**. Mr. Ahart presented a petition to the committee signed by over 350 residents of Wyandotte County supporting **SB 329**. (Attachment 15) Chairman Oleen noted that the petition would be entered into the committee's official records. (Attachment 16). Mr. Ahart stated that **SB 329** would give a much needed economic boost to Wyandotte County and he urged the committee to give serious consideration to passage of **SB 329**.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS, Room 529-S Statehouse, at 3:00 p.m. on March 18, 1999.

Chairman Oleen recognized Steven Montgomery, representing Kansas Greyhound Kennel Owners Association as a proponent for SB 329. Mr. Montgomery stated that combining parimutuel racing with casino gaming have been successful in other states. (Attachment 17). Mr. Montgomery stated that he has included some amendments that have been proposed by the Greyhound Kennel Owners Association and that have not been included by Mr. Smoot.

Katherine Simmons, City of Frontenac, was introduced by Chairman Oleen as a proponent of SB 329. Ms. Simmons stated that SB 329 would mean economic development for Frontenac in the amount of 200 jobs. She stated that Frontenac draws people from a four state location; Missouri, Oklahoma, Arkansas and Kansas and that SB 329 would enable Frontenac to take advantage of this unique opportunity. Ms. Simmons urged the committee to favorably consider SB 329.

Chairman Oleen called on Don Denney, Unified Government, Wyandotte County, Kansas City, Kansas, as a proponent to SB 329. Mr. Denney stated that the Unified Government of Wyandotte County, Kansas City, Kansas fully support SB 329 and also endorse a local-option referendum regarding electronic gaming machines. (Attachment 18, Also attached was an article from The Kansas City Star dated February 25, 1999 by Jerry Heaster, entitled Slots at The Woodlands- Make Moral and Money Sense.) Mr. Denney urged the committee's support of SB 329.

Chairman Oleen recognized Ralph Lilja, Horseman's Protective and Benevolent Association as an opponent to SB 329. Mr. Lilja stated that they cannot support the bill in its present form. (Attachment 19). Mr. Lilja stated that SB 329 offers 21 days of racing at the Woodlands and this is not realistic; originally with the new owner the contract had called for 55 days the first year and 65 days thereafter. The \$1.5 million offered in this bill would not begin to cover costs.

Chairman Oleen opened the hearing for questions on SB 329 and SB 330.

Questions from the committee members were directed at the owners of the two race tracks and the economics of racing; and that when these tracks were purchased if the new owners had knowledge of the industries financial condition and the effects of the river boats in Missouri and the Indian Casinos in Kansas. Questions were also raised concerning the number of days that horse races were held at The Woodlands. Mr. Smoot stated that The Woodlands had lost approximately \$600,000 last year for the 21 days of horse racing. This would amount to \$30,000 per race day. In response to a question from the committee, Mr. Lilja stated that 65 days would be the number of days that most race horse owners would like to see offered. Senator Oleen questioned if the state owned the machines who would pay the up front cost of establishing the central computer systems, the communication infrastructure and the machines themselves. Mr. Smoot stated that in SB 329 the track owners would assume all of the costs for startup fees.

Questions were directed to Mr. Scafe of the Racing and Gaming Commission for clarification of their responsibilities at the race tracks. Mr. Scafe stated that the Racing and Gaming Commission would be responsible for policing the facilities for enforcement of the state statutes, state rules and regulations and would be on site while the games are being played.

Chairman Oleen requested that Mr. Smoot provide information to the committee concerning the 16% that the State would receive; how this would be distributed and how much the State would receive; the costs to the state and each agency and how these expenses would be paid.

Chairman Oleen closed the hearing on SB 329 and SB 330.

The meeting adjourned at 3:45 p.m. The next meeting of this committee will be March 22, 1999

SENATE FEDERAL AND STATE AFFAIRS COMMITTEE
GUEST LIST

DATE: 3/18/99

NAME	REPRESENTING
James H. Smart room	Kansas Greyhound Bus - Pres.
John Petersen	Ks Bowling Proprietors Assn
Frank DeSocio	Ks Bowling Proprietors Assn.
Rick Schuber	" " "
Tom J. DENNISON	Ks Greyhound Park
Rosemary Yorkum	1727 No 78 K.C. KS 66112
Frances A. Scherzer	3826 N. 113 th K.C. KS 66109
Barbara Gaskot	7906 Driville, K.C. KS 66112
James E. Wood	926 N. 98 th St. K.C. KS 66111
Rita M. Smart	926 N. 98 th St. K.C. KS 66111
Lester L. Laurson	Kansas Club Assoc.
TRACY DREI	SGA
Alfred E. Kauf	KREC.
Laura Cluytens	Palawatomi Nation
Michael W. Hansen	Kansas Realty LLC
Rosemary Yorkum	1727 No. 78th K.C. KS 66112
Barbara Gaskot	7906 Driville K.C. KS 66112
Frances A. Scherzer	3826 N. 113 th K.C. KS 66109
Rita M. Smart	926 No. 98th. K.C. KS 66111

P.M.

SENATE FEDERAL AND STATE AFFAIRS COMMITTEE
GUEST LIST

DATE: 3-18-99

NAME	REPRESENTING
Thomas E. Grant	9267 97 th St. NCK 66611
R. W. Lutz	KHBPA
LISA VANLANDINGHAM	KHBPA
Lynne Felker	Kansas Racing
P. M. Grace	" "
Katherine Simmons	City of Frontenac, KS
Paul Walter	PGAU Urban Consulting
Roger Mueller	KGE
Jim Allen	WG P
Day Foreman	DOR
Mike Weber	PGAU Urban Consulting
Tom Selman	
Lanny Yerin	Greyhound owners
Bob [unclear]	FRONTENAC TRACK
Carl McDowell	Bottenberg + ASSOC.
Brod Smart	KS Racing LLC.
W. Kip Keefer	WICHITA Greyhound Park
Tom Gaches	Wichita Greyhound Park

SENATE FEDERAL AND STATE AFFAIRS COMMITTEE
GUEST LIST

DATE: MARCH 18, 1999

NAME	REPRESENTING
Wayne Strong	Greyhound Club.
Herb Sperner	N. G. F.
Gary Succione	Nat'l Greyhound Assn.
Cleta Renyer	Pro of Ks
Bettie Thompson	
Glenn Thompson	Stand Up For Ks.
Dave Schneider	Kansas For Life At Its Best
Sunn Katten	KQARA
David Proyer, <u>W</u>	PBP Nation
John Costello	Kansas Energy, LLC
William Sabo	Kansas Racing / Empress
Matthew Hart	Kansas Racing / Empress
Lynne Felker	Kansas Racing
W.M. GRACE	" "
Bob Terle	FRONTENAC RACING
Carol McDowell	Bottenberg + Assoc.
Sonny Gere	Greyhound Owners
Katherine Simmons	City of Frontenac, KS
Dwayerne Bina	Kansas Quarter Horse Assn

SENATE FEDERAL AND STATE AFFAIRS COMMITTEE
GUEST LIST

DATE: 3/18/99

NAME	REPRESENTING
Bob Stoffe	KQHRA
Jeff Rutland	" " " "
Carol Bird	KQHRA
Jeanne Bustin	KQHRA
Betty Elson	Weyardotte County
Pauline Neumer	" "
Carl Neumer	" "
Conrad Elson	Wyanadotte Co.
Rebecca Fin	KH Clubs & Assoc
Joe Duk	CKBPU
Don Penney	Unified Govt. Wyo. KCK
Pat Lombardone	KHBPA
Jim McLoe	KHBPA
Randy Lutz	KHBPA
Henry Burgess	KHBPA
J.P. Small	KQHRA
Jim Janoczek	KDOC+H
Wendell E. Maddox Jr.	HSUS
Jim Mettiff	KS AFK-CIO

SENATE FEDERAL AND STATE AFFAIRS COMMITTEE
GUEST LIST

DATE: 3-18-99

NAME	REPRESENTING
Debby Fleming	Federico Consulting
Mike Weber	Perth Urban Consulting
Fred Walter	"
Myron E. Kauf	KREC
Jerry H. Murray	KREC
Carl Anderson	Kansas Rotary
Greg Zeman	" " "
Kyle Diet	" "
TRACY DieI	State Gaming
Natalie Haag	Governor's Office
Dug Finner	DOB
Richard Kemp	Hannah's
Tom T. Johnson	Greyhound Assn
Laura Olney	Potawatomi Nation
Mayme Mattmarkshe	Potawatomi Tribal Council
Juanita Jessepe	Prairie Band Potawatomi Member
Steve Montgomery	Ks Greyhound Lead Owners' Assoc
Wayne R. Haul	Ks Greyhound Lead Owners' Assoc (President)
Bob Anderson	Ks Greyhound Assoc.

Presentation in Support of 1999 Senate Bill 329

Senate Federal & State Affairs Committee
March 18, 1999

Senate Bill 329

An ACT authorizing electronic gaming machines; relating to the regulation thereof; creating the Kansas education technology enhancement fund; amending K.S.A. 74-8701, 74-8702, 74-8704 and 74-8711 and K.S.A. Supp. 74-8710, 74-8718, 74-8719, 74-8723 and 74-8804 and repealing the existing sections.

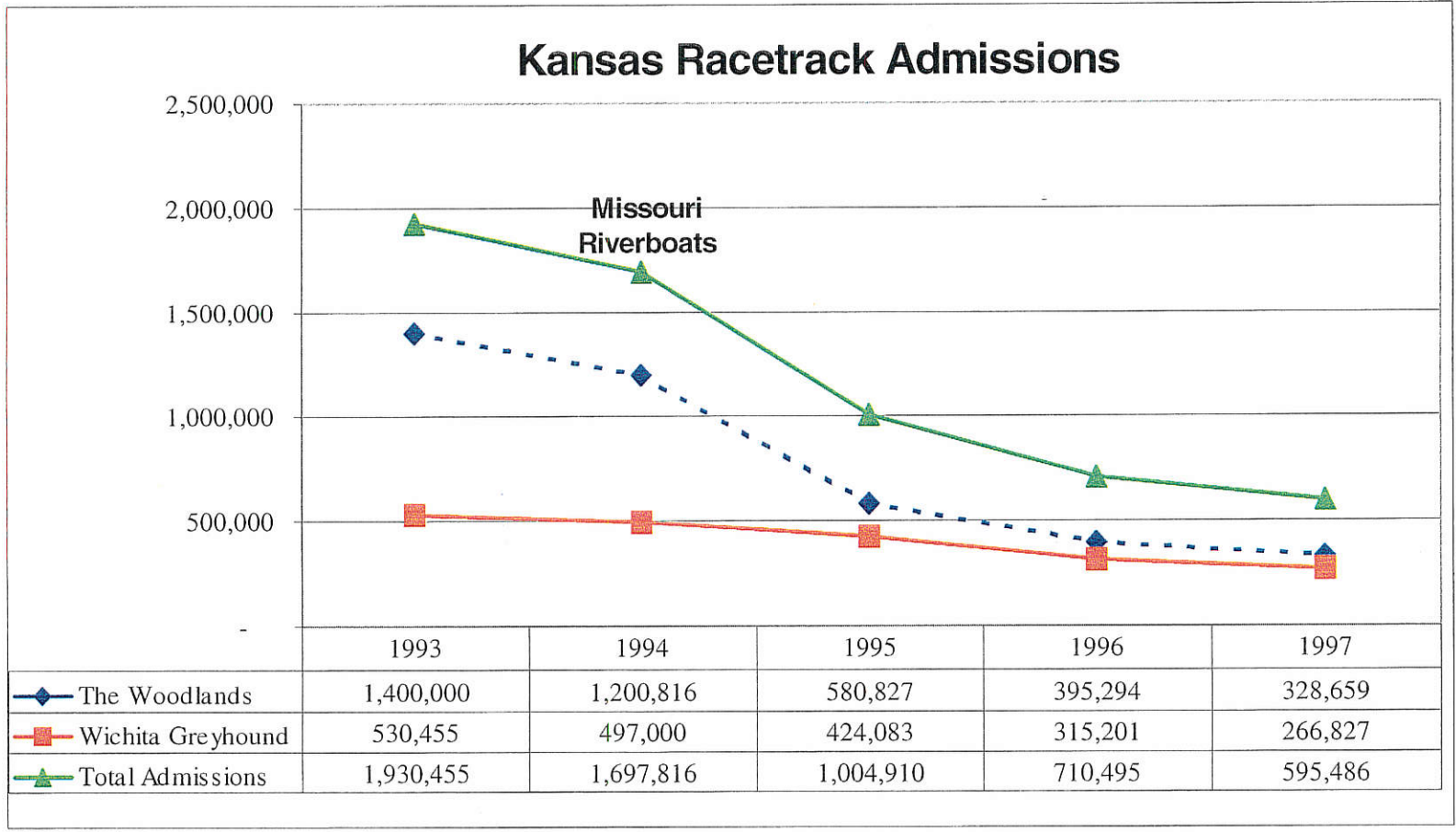
The Proposed Bill

- Enables Existing Industry to Adapt to Market
- Assists Agricultural Industries
- Promotes Education Technology
- Provides for Economic Development
- Retains Kansas Dollars in Kansas

Existing Gaming

- State Lottery
- Two Operating Pari-mutuel Facilities
- Five Missouri Riverboats
 - Under Missouri Regulation
 - Estimated \$100 Million Revenue from Kansans
- Four Indian Casinos
 - Under Federal Jurisdiction
 - No Tax Revenue to State Government

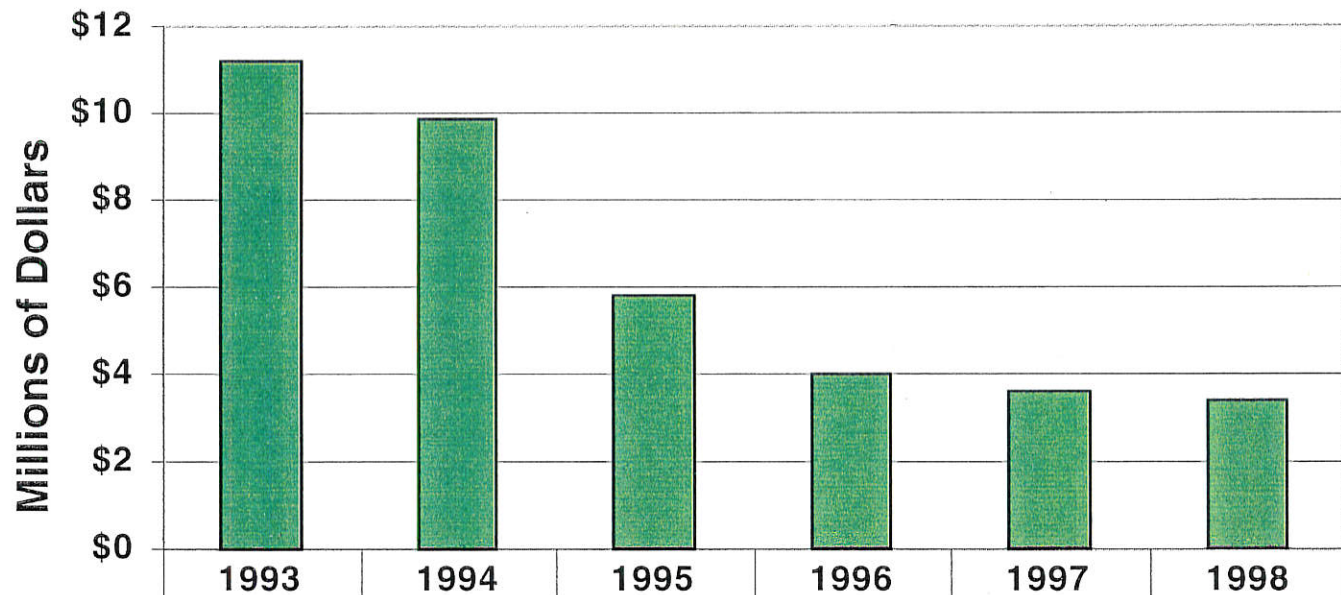
Kansas Racetracks



Source: Kansas Department of Commerce and Housing

Trends in Government Revenue Flows

Total State and Local Fees and Taxes (From Past Woodlands Operations)



■ State and Local Fees and Taxes	11.2	9.9	5.8	4.0	3.6	3.4
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Source: PGAV, Inc.

Survey of Registered Voters

- 55% Favored slot machines at the racetracks
- 78% Favored local referenda on slot machines
- 60% Participated in legalized gaming
- 35% Have visited a Missouri Riverboat
- 19% Have visited a Kansas tribal casino

Estimated Direct Statewide Impacts

1,500 New Jobs for Kansas

\$ 60 Million Capital Investment in Kansas

- \$ 150.00 Million Statewide Gaming Revenue
- \$ 9.80 Million Education Technology Enhancement Funding
- \$ 9.80 Million Economic Initiative Development Funding
- \$ 1.50 Million to Kansas Municipalities
- \$ 1.50 Million to Charitable Organizations
- \$ 37.50 Million Annual Payroll and Benefits
- \$ 15.00 Million Advertising and Marketing Campaign
- \$ 19.60 Million Greyhound Purse and Purse Supplements
- \$ 2.85 Million Horse Purse and Purse Supplements

Estimated Operating Pro-Forma

	<u>Estimated Statewide Revenue</u>	<u>Percent of Estimated Gaming Revenue</u>
Estimated Gaming Revenue	\$ 150,015,000	100.00%
State Share of Revenue	24,002,400	16.00%
Agricultural Purse and Purse Supplement	22,480,106	14.99%
Statutory Partner Income	<u>46,482,506</u>	<u>30.99%</u>
Operator Revenue	<u>103,532,494</u>	<u>69.01%</u>
Payroll and Related Exp.	37,503,750	25.00%
Marketing and Advertising	15,001,500	10.00%
Other Operating Expenses	<u>7,500,750</u>	<u>5.00%</u>
Total Operating Expenses	<u>60,006,000</u>	<u>40.00%</u>
EBITDA	43,526,494	29.01%
Interest Expense	3,500,000	2.33%
Depreciation Amortization	11,500,000	7.67%
Income Taxes @40%	<u>12,250,598</u>	<u>8.17%</u>
Net Income	<u>\$ 16,275,896</u>	<u>10.85%</u>

6-1

Beneficiaries of Kansas SB 329

- Host Municipalities
- Agricultural Interests
- Education Technology Enhancement Funding
- Economic Development Initiative Funding

Amendments to SB 329

Proposed amendments are intended to address the following issues...

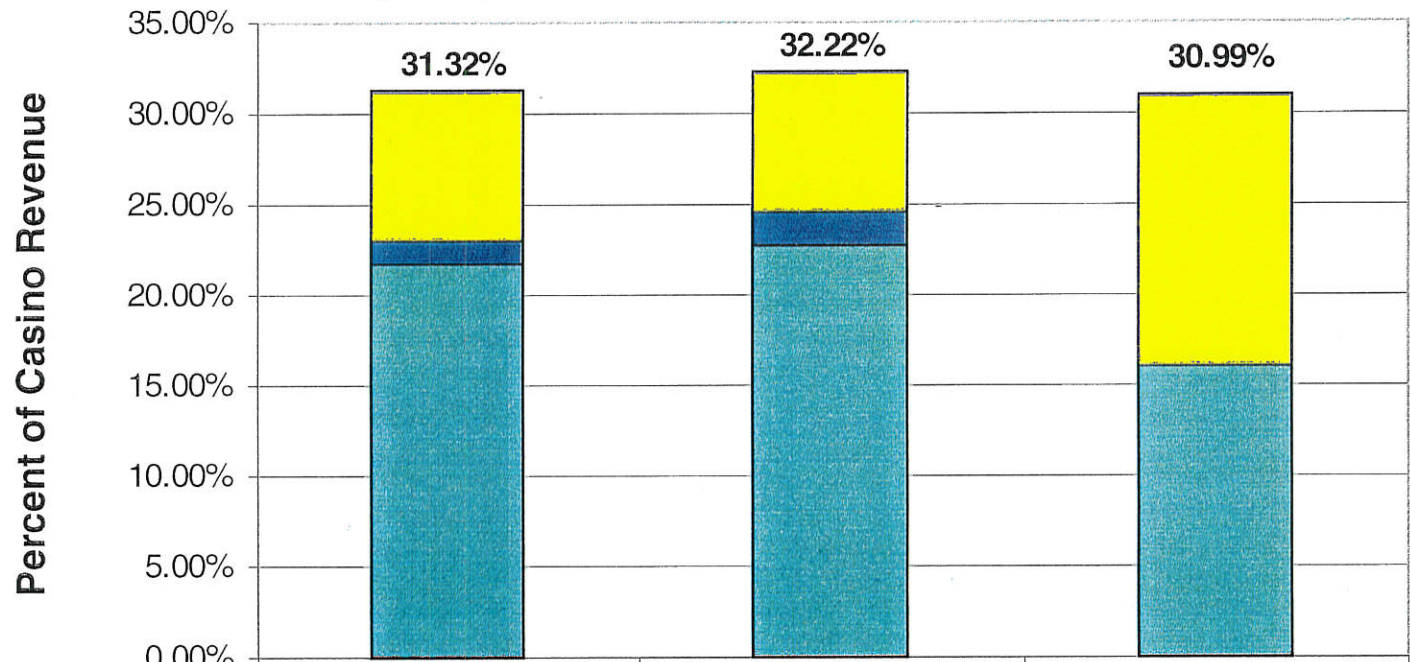
- Require operators to pay purse supplements
- Address regulatory concerns
- Clarify eligible tracks

Estimated Shared Revenue Flows

Statutory Government Revenue Flows	16.00%	\$ 24,002,400
Kansas Municipalities	1.00%	1,500,150
Charitable Organizations	1.00%	1,500,150
Regulatory Costs	1.00%	1,500,150
Education Technology Enhancement Fund	6.50%	9,750,975
Economic Development Initiative Fund	6.50%	9,750,975
Statutory Agriculture Supplements	14.99%	22,480,106
Greyhound Purse and Purse Supplement	13.06%	19,595,106
Horse Purse and Purse Supplement	1.92%	2,885,000
Total Shared Revenues	30.99%	\$ 46,482,506

Comparison of Revenue Flows

Statutory Allocation of Revenues

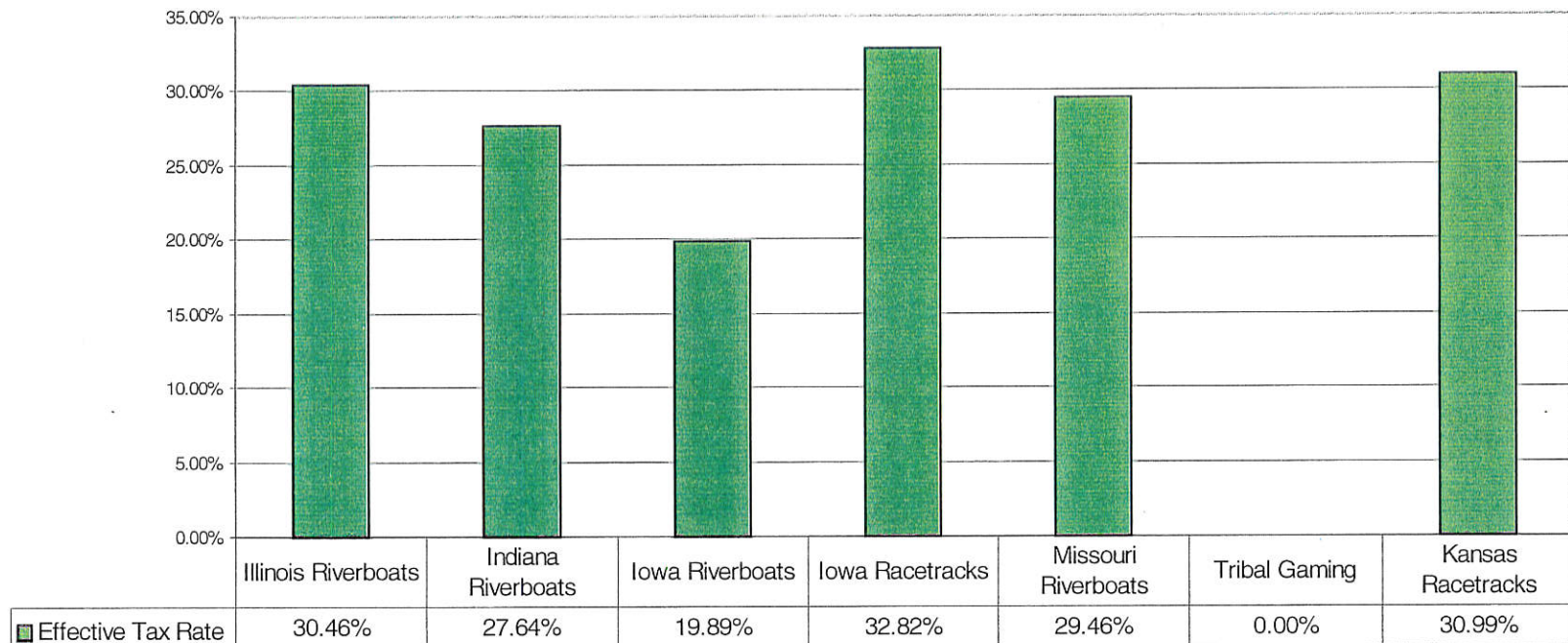


	Praire Meadows 1997	Bluffs Run 1997	Kansas SB 329 Yr 1
■ Purse and Purse Supplements	8.27%	7.64%	14.99%
■ Admission Taxes	1.35%	1.92%	0.00%
■ Gaming Taxes	21.71%	22.66%	16.00%

Source: Iowa Racing and Gaming Commission

1-14

Midwest Gaming Tax Rates



Illinois data Calendar Year 1998 Source: Illinois Gaming Board

Indiana data Calendar Year 1998 Source: Indiana Gaming Commission

Iowa data for FY 1998 Source: Iowa Racing and Gaming Commission

Missouri data Calendar Year 1998 Source: Missouri Gaming Commission

Kansas estimated AGR and estimated impacts of SB 329

Exhibits

- A. Gaming Locations Map
- B. Wichita Eagle Editorial 3/16/99
- C. Schroth & Associates Voter Survey
- D. PGAV, Inc. Estimated Economic Impacts
- E. Testimony in Support of Senate Bill 329

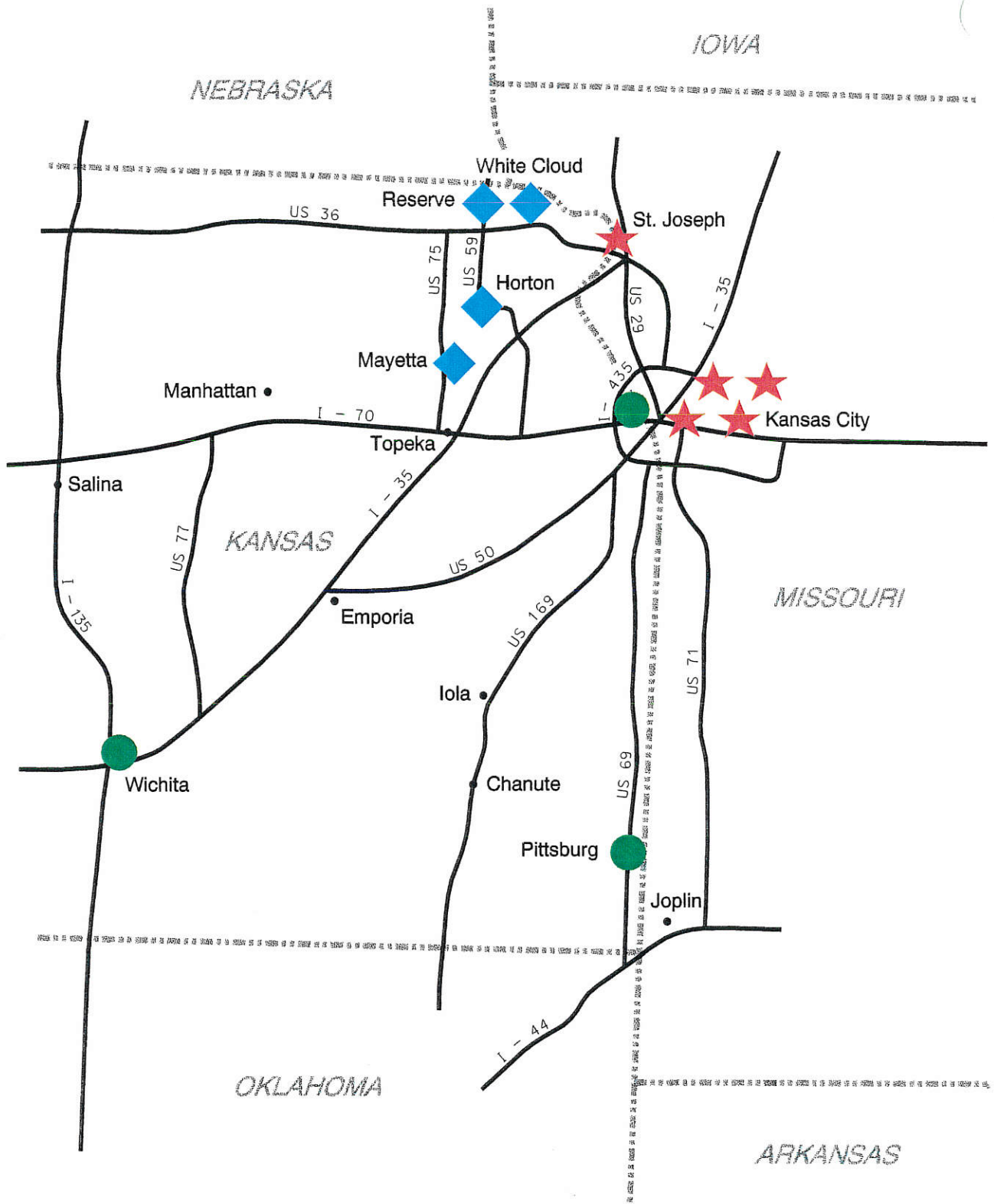


Exhibit A - Location Map

- ◆ Native American Casinos
- ★ Missouri Gaming Casinos
- Kansas Racetrack Facilities

MARCH 16, 1999





SCHROTH & ASSOCIATES
PUBLIC OPINION RESEARCH

SURVEY OF REGISTERED VOTERS IN THE STATE OF KANSAS

March 1999



SCHROTH & ASSOCIATES
PUBLIC OPINION RESEARCH

SURVEY FACT SHEET

Number of interviews: n = 400

Margin of error: +/- 4.9% for the full sample.
(The margin of error for sub-groups will be higher)

Field dates: March 5-8, 1999

Survey type: Telephone

Interview length: 16:00

Universe: Random selection of registered voters in the State of Kansas, who self-described themselves as registered to vote in Kansas

<p>© Copyright 1999 Schroth & Associates</p> <p>PHONE NUMBER:() _____</p> <p>CITY: _____</p> <p>COUNTY: _____</p> <p>RESPONDENT'S NAME: _____</p> <p>GENDER: MALE / FEMALE (CIRCLE)</p>	<p style="text-align: center;">OFFICE USE ONLY:</p> <p>Q. NUMBER: _____</p> <p style="text-align: center;">CODE WARD (5-7):</p> <p>VALIDATED BY: _____ 5-7 _____</p> <hr/> <p style="text-align: center;">INTERVIEWER'S USE:</p> <p>DATE: ____ / ____ / ____ TIME BEGUN: ____:____</p> <p>INTER. ID: _____ TIME ENDED: ____:____</p> <p>INTERVIEWER'S SIGN: _____</p>
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Hello, my name is (first & last name) from S&A Research. We are conducting a poll of people's opinions toward local public affairs and current events, and this number was selected at random. I promise you, this is a public opinion survey, and we are not selling anything. According to the research procedure, I have to speak to the youngest (male/female) registered voter in the household who is currently at home.

- | | |
|--|---|
| <p>A. Just to confirm, are you currently registered to vote at this address in Kansas?</p> | <p>Yes 100</p> <p>TERMINATE-- No -X</p> |
| <p>1. Generally speaking, do you think that things in the United States today are moving in the right direction, or do you think that things are off track and moving in the wrong direction?</p> | <p>Right direction 47</p> <p>Wrong direction 41</p> <p>Don't know 12</p> |
| <p>2. What about here in <i>Kansas</i>, do you think things are moving in the right direction today, or do you think that things are off track and moving in the wrong direction?</p> | <p>Right direction 72</p> <p>Wrong direction 18</p> <p>Don't know 10</p> |
| <p>3. How would you rate the job Bill Clinton is doing as President -- excellent, good, not so good, or poor?</p> | <p>Excellent 10</p> <p>Good 42</p> <p>Not so good 16</p> <p>Poor 30</p> <p>Don't know/refused 1</p> |
| <p>4. How would you rate the job Bill Graves is doing as Governor -- excellent, good, not so good, or poor?</p> | <p>Excellent 24</p> <p>Good 63</p> <p>Not so good 8</p> <p>Poor 2</p> <p>Don't know/refused 3</p> |
| <p>5. As you may have heard, the Kansas legislature is currently considering a new law which would legalize slot machines at Kansas horse and greyhound racing tracks -- but only if the voters in those counties with racetracks approve. These machines would be operated by the Kansas Lottery, would be restricted to people 21 years of age and older, and would be required to pay 16% of all revenue they generate to the state. Generally speaking, do you favor or oppose this new law legalizing slot machines at Kansas racetracks?</p> | <p>Favor 55</p> <p>Oppose 40</p> <p>Don't know/refused 5</p> |

6.	Do you favor or oppose allowing the voters in those counties with racetracks the opportunity to vote on legalizing slot machines in their own county?	Favor 78 Oppose 21 Don't know/refused 1
6a.	Do you favor or oppose casino gambling on tribal reservations, which is currently allowed in Kansas?	Favor 60 Oppose 33 Don't know/refused 7
7.	Have you visited a casino or participated in any other type of legal gambling activity — like the Lottery or horse racing — during the past two years?	Yes 60 No 40 Don't know/refused -
8.	Have you ever visited one of the four tribal casinos here in Kansas?	Yes 19 No 81 Don't know/refused -
9.	Have you ever visited one of the Missouri riverboat casinos?	Yes 35 No 65 Don't know/refused -
10.	Now I'd like to read you a few statements that some people agree with while others disagree. I'd like to get your opinion. Here's the first one -- do you agree or disagree?	

	<u>AGREE</u>	<u>DISAGREE</u>	<u>DK/REF</u>
a. Kansas is losing millions of dollars in potential state and local revenue to riverboats in Missouri and tribal casinos here in Kansas.	54	28	17
b. The revenue from slot machines would provide much-needed new money for public education and other important public services in Kansas.	57	36	6
c. Kansas has too much gambling as it is now, and the legislature shouldn't allow any more.	42	53	4
d. I would be more likely to support allowing slot machines at racetracks if I knew that the revenues going to the state would be spent specifically to improve public education in Kansas.	70	28	1
e. I would be more likely to support allowing slot machines at racetracks if I knew they would create over 1,000 new jobs in Kansas.	60	36	4
f. Generally speaking, I am less opposed to legal gambling than I have been in the past.	45	49	6
g. Even though I may disagree with it, gambling <i>does</i> provide substantial economic benefits to local communities that allow them.	64	30	6
h. Local voters in Kansas should have the right to decide whether or not to expand gambling in their own county.	84	14	2
i. Gambling is essentially immoral and should be illegal in Kansas.	30	65	5

11.	Now that you've heard a little more information, would you say you favor or oppose a new law allowing slot machines at racetracks in Kansas?	Favor 59 Oppose 37 Don't know/refused 4
-----	--	---

Now I have just a few more questions that are for statistical purposes only...

Gender (Do Not Ask; Just Record)

If FEMALE ASK: And are you employed outside the home?

Male	47
Female/stays at home	22
Female/works outside the home	31

Could you please tell me--is your age:

18-24	5
25-34	11
35-49	30
50-64	26
65-74	15
75+	13
Don't know/refused	-

Politically speaking, do you consider yourself a Democrat, as a Republican, or are you completely independent?

Democratic	28
Republican	45
Independent	25
DK/refused	2

May I ask your religious preference-- is it Baptist, Catholic, Protestant but not Baptist, or Jewish?

Baptist	13
Catholic	23
Protestant, but non-Baptist	56
Jewish	1
Other:	4
Don't know/refused	4

Economic Impacts of Senate Bill 329

- Inducement of **\$50 million in private investment** at Woodlands, Wichita and Pittsburg tracks.
- Capture **\$150 million annually in gaming spending** (*much of this spending is now going to Missouri and Native American casinos*).
- Creates **\$38.7 million annually** in new **private sector payroll (1,290 jobs)**.
- Creates **\$23 million annually** in other operating expenditures by track operators.
- **\$24 million annually** to State for distribution to:
 - Host cities (\$1.5 million)
 - Charitable organizations (\$1.5 million)
 - Regulatory costs (\$1.5 million)
 - Education Technology Enhancement Fund (\$9.75 million)
 - Economic Development Initiative Fund (\$9.75 million)
- Additional **\$2.1 million annually** in new revenue to **local governments** (win distribution, property taxes and sales taxes).
- **\$1.9 million annually** in personal income taxes and sales taxes to the **State of Kansas**.

BRAD SMOOT

ATTORNEY AT LAW

MERCANTILE BANK BUILDING
800 SW JACKSON, SUITE 808
TOPEKA, KANSAS 66612
(785) 233-0016
(785) 234-3687 (fax)

Exhibit E

10200 STATE LINE ROAD
SUITE 230
LEAWOOD, KANSAS 66206
(913) 649-6836

Statement of Brad Smoot, Legislative Counsel
Kansas Racing, L.L.C.
to the
Senate Federal & State Affairs Committee
Regarding 1999 Senate Bill 329
March 18, 1999

Madam Chair and members of the Committee:

Kansas Racing, L.C.C., is a limited liability corporation owned by corporations of W.M. Grace and the Empress Casinos. Our company purchased the Woodlands dog and horse track in Wyandotte County from the bankruptcy trustee on the last day of 1998. Together, the owners of Kansas Racing bring considerable experience in gaming and racing to a Kansas resource much in need of your attention. On behalf of the Woodlands, we are pleased to support the proposal to permit the Kansas Lottery to operate slot machines at certain parimutuel sites in Kansas. We believe Kansas has a unique opportunity to invigorate the racing industry which has suffered greatly in recent years while returning revenues, jobs, investment and taxes to our state.

We have prepared considerable information for you and offer our assistance and resources to aid your further deliberations. We understand that SB 329, as introduced, will not be the final product of the 1999 Legislature. Indeed, based on hours of research, conversations and negotiations with interested parties, we offer an amendment to address several concerns of legislators and others regarding SB 329. Some of these changes are technical. Others relate to the constitutional or regulatory requirements of gaming legislation. Still others concern negotiated terms with parimutuel interests. In addition, we have gone to considerable time and effort to develop useful financial information regarding the racing and gaming industry. Be assured these resources will be available to you as the Committee considers this proposal.

The need for a change in public policy

Regardless of one's view of gaming, most Kansans would probably agree that current Kansas law begs review. By constitutional amendment in 1986, Kansas voters brought the lottery (63.9%) and parimutuel racing (59.8%) to our state. Our fellow Kansans expect state government to operate and regulate these activities in a prudent and business-like manner. Kansans do not expect the State to fail in these endeavors. Yet, beyond our control, other governments have permitted competing gaming activities to thrive at the expense of the state's constitutional charge.

In 1994, Missouri allowed the introduction of riverboat gambling. This began a precipitous decline in attendance at the Woodlands and Wichita's Greyhound Park. In 1997,

federal law permitted tribal casinos within our borders. **Exhibit A.** These activities have already resulted in the loss of millions of tax revenues, hundreds of jobs and the loss of economic development resources. Since 1993 an estimated \$29.3 million in state and local tax revenues has been lost at the Woodlands. Our best estimate is that Kansas is losing more than \$100 million in gaming revenues to the Missouri riverboats alone and millions more to tribal casinos (amounts not available). Gambling is here. Included in my materials is a recent editorial from the Wichita Eagle which underscores that point. **Exhibit B.** In the meantime, at least one of the gaming activities authorized by the people of Kansas and the agricultural and economic purposes it serves is dying. SB 329 gives the Legislature an opportunity to respond to these changes and protect its assets.

The people are ready for a change in policy

We believe that the Legislature is the best barometer of public opinion. You visit with your constituents. You know their views. For the rest of us, there are polls. The Woodlands conducted a scientific poll to determine if the operation of electronic slot machines at parimutuel tracks was supported by the public. It is. Included in your handout are the exact questions asked and the results. **Exhibit C.** We encourage you to visit with your constituents and compare these poll results with your own district and your own experience. We think you will find similar support and a sense from the voters that we can no longer ignore the gaming around us while exporting jobs, capital and revenues to other jurisdictions. We think you will find that in 1999, Kansans are ready to reverse the failing policies of current law. We think your fellow Kansans are ready to share in the benefits of the gaming activity which is obviously all around us.

The economics

Gaming, like any other form of entertainment, is a business. It creates wealth. It creates jobs. Taxes are collected from workers and businesses. Supporting business are created; additional employees hired and more taxes raised. Those taxes are spent in Kansas for Kansans. Contained in your handout are our projections on gaming revenues (\$150m), capital investment (\$60m), payrolls (\$37.5m), purse and purse supplements supplements for the greyhound and horse industries (\$22.4m) and state revenues (\$24m). As you can see, SB 329 contemplates substantial private sector investment. Thus, even though the Lottery will own and operate the gaming machines, it is the track owners; not the taxpayers, who will provide the financing and assume the risks. As with any business, investors will expect a decent return on their investment. That projection, too, is contained in our analysis.

Parimutuel racing and electronic slot machines together can help four different segments of the Kansas economy. Immediately benefited are the communities where the parimutuel tracks are located where construction jobs, gaming jobs and supplemental service jobs are created. Agricultural interests, including kennels and stable owners, from around the state will receive purse enhancements. School districts, colleges, universities, community colleges and

libraries throughout the state will be eligible technology enhancement funds while the EDIF will be enriched to support the economic development projects designated by the Legislature. We hired Peckham, Guyton, Albers & Viets, a Kansas City and St. Louis based urban planning firm, to estimate statewide impact. Their projections are included in your handout. **Exhibit D.**

SB 329 and Proposed amendments

SB 329 is intended to permit operation of electronic games of chance by the Kansas Lottery at existing parimutuel locations. It is narrowly written to grant ownership and control to the Lottery while preserving the regulatory control of the Racing and Gaming Commission over dog and horse racing. This fundamental feature of SB 329 reflects the constitutional and judicial interpretations of Kansas law. And while it may create some concern about having two state agencies involved in the operation of gaming machines, it is necessary and, with some cooperation, very workable. To carry out its functions under the bill, the Kansas Lottery is required to contract with track owners to finance and manage the facilities where gaming machines are operated. In addition, SB 329 relies on another long-standing practice of permitting voters in the affected counties to vote on permitting this activity. (As the poll indicates, 78% favor the right to vote on this issue.) To more clearly accomplish these ends, some amendments to SB 329 are necessary.

The first, and foremost, change addresses the issue of state revenues versus operational revenues. In our initial proposal, we listed in detail the expenses associated with contracting for the operation of electronic games of chance. Unfortunately, the purses and purse supplements included in the bill's package of revenue disbursements cannot be quantified in percentages. Our amendments move the dog and horse supplemental purses to our side of the ledger. Agreements with the dog interests are spelled out on a points system while horse racers are offered a flat \$1.5 million supplemental purse.

Under the amendments, the State will still receive 16% of the total net gaming revenues, forwarding 1% to the cities; 1% to the charitable licensee, maintaining adequate funds to operate and regulate the electronic games of chance and dividing the balance between the EDIF and education technology enhancement fund.

The 16% share to the State of Kansas combined with the supplemental revenues provided the dogs and horse industry in Kansas, means SB 329 statutorily allocates more than 30% of the revenues, under the revenue estimates we have been using. If the revenues estimated in the Budget Division's fiscal note are used, that percentage increases. There will be a great deal of attention paid to the "state's share" of the electronic gaming revenues. Lots of numbers will be thrown around -- 20%, 24% or 29% -- revenues supposedly provided to governments in other states. We encourage the Committee to study, in detail, the taxation, purses, corporate structures and government ownership of similar activities in other states. We believe you will find, as we did, that the revenue sharing proposed in SB 329 with amendments is comparable to other jurisdictions.

Other changes are intended to make it clear that the Kansas Lottery owns and operates the gaming machines by contract with the parimutuel licensee and that the Racing and Gaming Commission has oversight of the parimutuel location.

Finally, we have offered an amendment to clarify our intention that the race track in Crawford County be included as a facility eligible for electronic gaming machines. We are advised that the language of SB 329, does not make such intention clear. Although it will be the Legislature's decision as to which tracks are to have slot machines, we support the three locations contained in SB 329 with amendments. We now understand that the Crawford County situation has changed somewhat regarding supplemental points and that a separate amendment is to be offered.

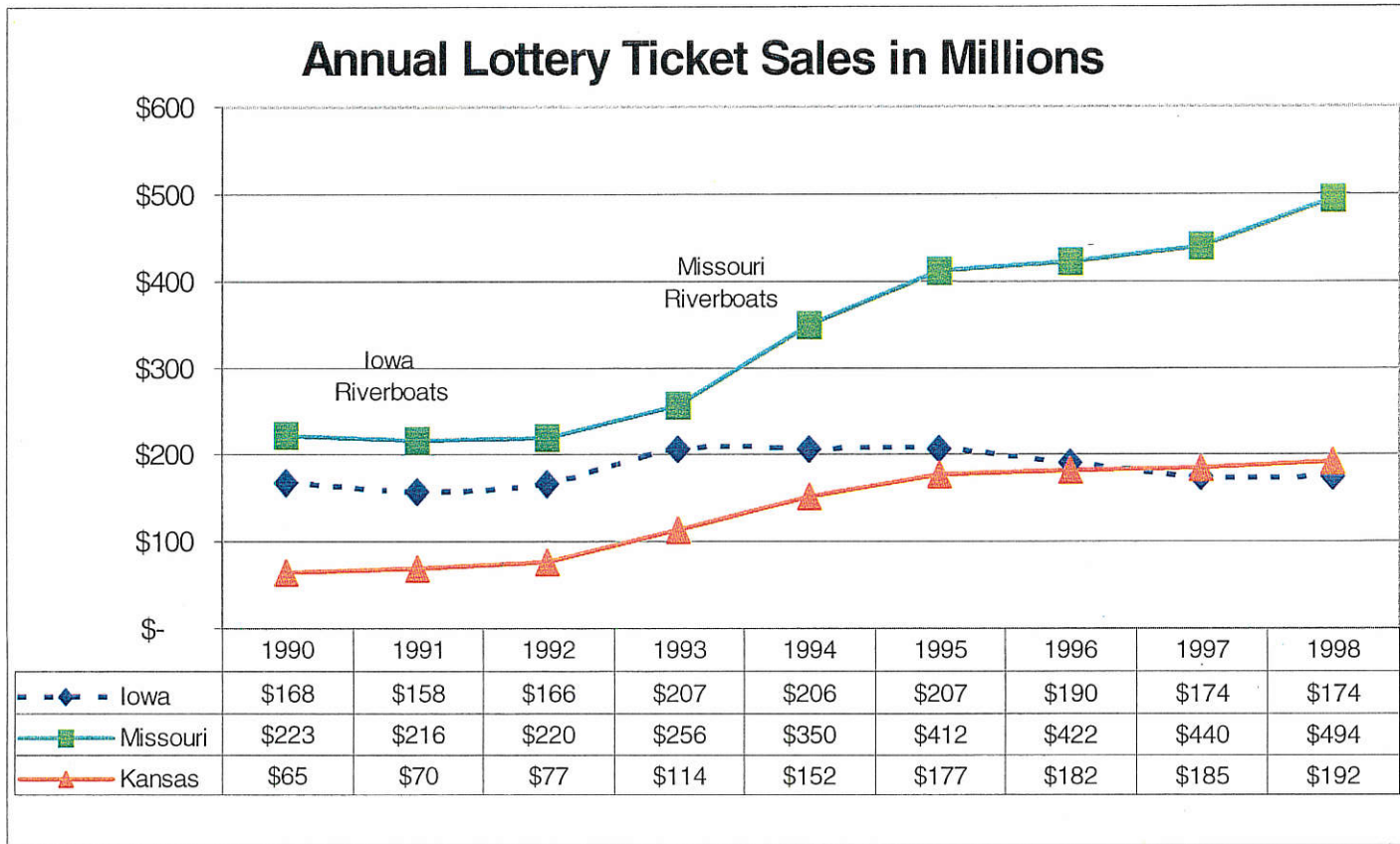
Conclusion

The 1999 Kansas Legislature has only a few choices with regard to gaming within this state. It may do nothing, allowing the tribal casinos and riverboats to draw Kansans and their dollars away. It could go wild and permit gaming almost everywhere (without a public vote), as is proposed in SB 330. Or it can take a modest step to permit additional, very limited, voter-approved gaming at existing regulated racing facilities, thus enhancing the vitality of these Kansas tourist attractions and benefiting the workers, communities, charities and agricultural industries they support. Kansas Racing hopes you will chose the middle ground: Authorizing the Kansas Lottery to operate electronic gaming machines at parimutuel facilities is the prudent and business-like response to the current situation. It is the course of action most Kansans support. We urge your favorable action on an amended version of SB 329.

Supplemental Information

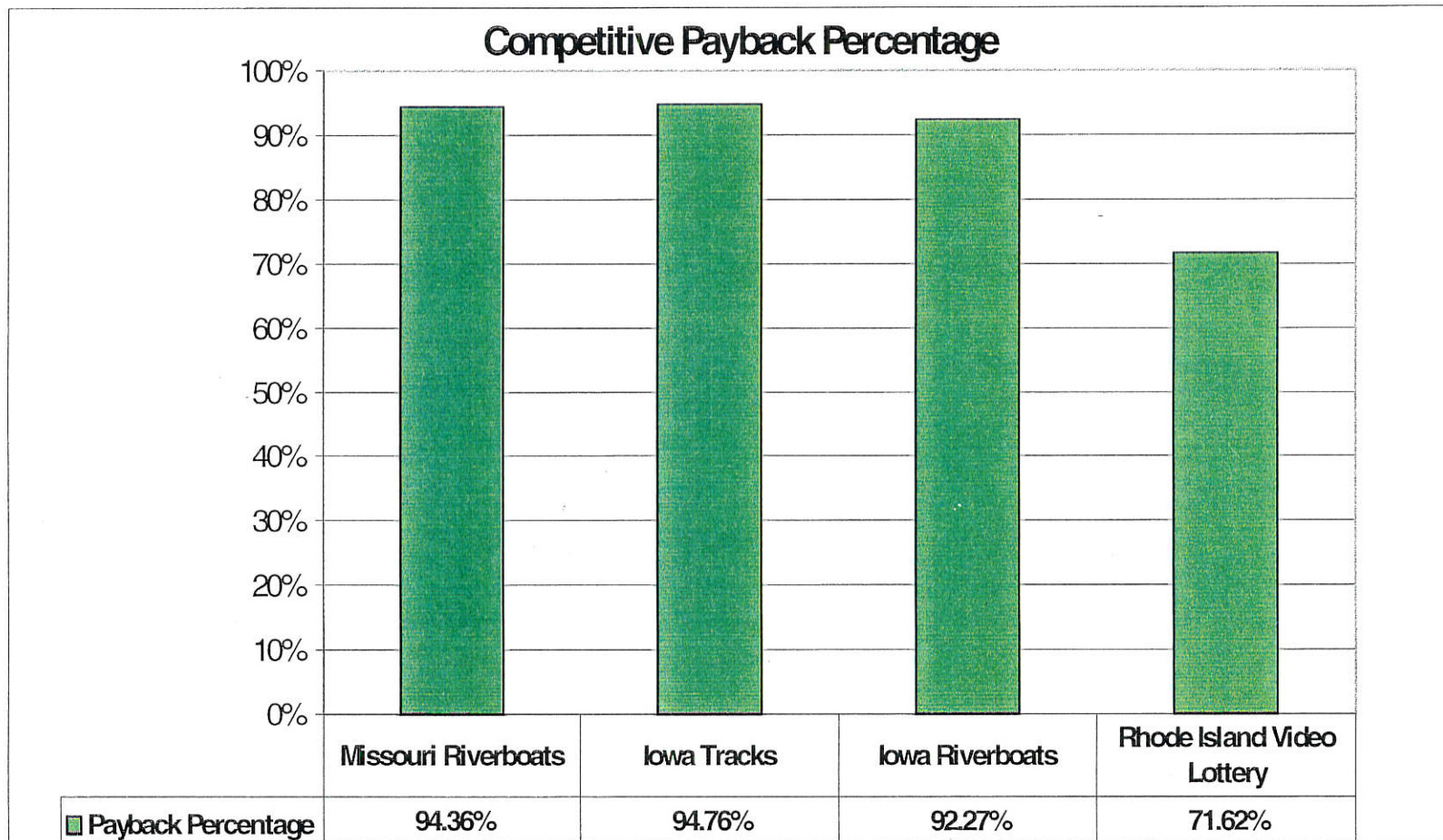
- Lottery Ticket Sales
- Competitive Payback Percentages
- Kansas and Iowa Purse and Purse Supplements

Lottery Sales



Source: Iowa Lottery, Kansas Lottery, Missouri Lottery

Payback Percentages



Sources: Iowa Racing and Gaming Commission, Missouri Gaming Commission, Rhode Island Lottery Commission

Kansas and Iowa Racing Purses

Greyhound Purse and Purse Supplements	Total Purses	Race Cards	Purses per Card
1998 Woodlands	\$ 2,250,000	350	\$ 6,429
Kansas SB 329	\$ 19,595,106	960	\$ 20,412
1997 Bluffs Run	\$ 4,864,000	365	\$ 13,897
1998 Bluffs Run	\$ 8,463,000	350	\$ 24,180
Horse Racing Purse and Purse Supplements			
1998 Woodlands	\$ 1,385,000	21	\$ 65,952
Kansas SB 329	\$ 2,885,000	21	\$ 137,381
1997 Prairie Meadows	\$ 10,531,000	98	\$ 107,459
1998 Prairie Meadows	\$ 12,375,000	97	\$ 127,577

Source: Iowa Racing and Gaming Commission, Bluffs Run Casino, Kansas Racing and Gaming Commission

STAND UP FOR KANSAS

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

**Testimony To Senate Federal and State Affairs Committee
on
Senate Bill 329 and Senate Bill 330**

by
Glenn O. Thompson
Executive Director, Stand Up For Kansas
March 18, 1999

Introduction

Good morning Chair Oleen and other members of this committee. Thank you for this opportunity to speak at this public hearing.

As most of you know, Stand Up For Kansas is a state-wide coalition of grassroots citizens who believe expanding legalized gambling in Kansas would have an adverse impact on the quality of life of individuals, families, and communities throughout the state. **We urge you to vote NO on SB 329 and SB 330.**

Casinos permitted by these bills would create numerous social and economic problems, as discussed in the appendix of my written testimony. I will not address these problems today, because of the limited time, except for one point.

A casino at the Wichita Greyhound Park would make casino machines accessible to over 600,000 citizens within a 50 mile radius, in Sedgwick county and 12 other surrounding counties. As explained in the appendix, over one percent of these people – 6,000 people – would become pathological gamblers. These 6000 pathological gamblers would cost Kansas citizens **at least \$54 million annually** for theft, fraud, embezzlement, absenteeism, addiction recovery, increased insurance rates, additional law enforcement, judicial and incarceration costs!

And, this cost is for only one racetrack casino! It does not include the social and economic impact other racetrack casinos would have on Kansas citizens.

Now, I would like to focus on three key points of these bills.

1. Legalizing state owned and operated casinos is bad government policy!

Citizens expect the state to promote the welfare of citizens, not destroy citizens and businesses with casinos.

Sen. Federal & State Affairs Comm
Date: 3-18-99
Attachment: # 2-1

These bills are a classic **slippery slope** created by the gambling industry. If approved, there would be no turning back. Once started, where do you stop? Why not bail out other industries with state owned and operated casinos? The potential for millions of dollars in profits would drive investors, both in and out of state, to push for more and more gambling expansion. If SB 329 passes, what will be your answer next year to the long line of investors who will want to build tracks and casinos in their counties?

The new millionaire owners of the Wichita Greyhound Park and The Woodlands bought racetracks, not casinos, at deep financial discounts. They knew exactly what they were buying. If they are not satisfied with their investments, they should sell the tracks and move on.

2.0 Kansas citizens did not (intentionally) authorize the legislature to remove the prohibition on casino machines.

Oh, I know four of the seven lawyers on the Kansas Supreme Court ruled, in 1994, that the term "lottery" is synonymous with the term "gambling". But, did legislators and citizens understand, in 1986, that they were amending the constitution **to permit state owned and operated casinos?** **Absolutely not!** I have researched all the legislation, attorney general opinions and newspaper articles during 1985 and 1986 on this issue. **Not a single document said anything about eliminating the prohibition on casinos and electronic gaming machines.**

In fact, the first indication the lottery amendment included casino gambling occurred in an Attorney General opinion in **1987, three months after the state-wide referendum in 1986.**

Senator Dick Bond was correct when he said, in 1992, "I honestly believe that the Kansas voters in 1986 had no idea they were voting some kind of language into the constitution that would permit casino gambling." (Topeka Capital-Journal, Jan. 24, 1992)

3.0 Senate bills 329 and 330 are bad bills!

Now, let me point out several significant problems in SB 329. Senate Bill 330 contains similar problems.

- a) Senate Bill 329 contains no provision for **rescinding casino contracts**. Further, the bill says contracts will be for an initial term of not less than seven years and "shall be renewable for like periods." Since the term "shall" is mandatory, how could the legislature rescind casino contracts?
- b) **SB 329 contains few restrictions**. For example, no restrictions are specified on casino operating times, bet limit, loss limit, credit gambling, automatic teller machines, credit/debit card machines, credit card readers on machines, advertising or free alcoholic drinks.
- c) Extension of the **Kansas Lottery sunset** from year 2002 to 2007 should be deleted. Continuation of the Ks. Lottery is a separate issue from legalizing state owned and operated casinos.

- d) **County referendums will be of little value.** If voters disapprove a proposed racetrack casino, another referendum **can be held in two years.** Millionaire racetrack owners with deep pockets will continue to initiate referendums every two years until they finally grind down citizen opponents, as they have done in other states. Grassroots citizens opposing casinos will have little chance of defeating owners, willing to spend millions on pro-casino advertising. Further, citizens in surrounding counties won't have a voice in the referendum, although they will reap the social and economic destruction of casino pathological gamblers.

Conclusion

In conclusion, Senate bills 329 and 330 would create numerous government, social and economic problems. As a representative of Kansas grass roots citizens, I urge you to **VOTE NO** on these two bills.

Appendix

Legalizing electronic gaming machines at parimutuel racetracks and lottery outlets would:

1. Destroy thousands of families

What if you opened your newspaper this morning and the headlines read "Devastating disease moving into Kansas. Six thousand families expected to be destroyed. Take immediate action." What would you be willing to do? Needless to say, you would probably be willing to do, and spend, whatever is necessary to save your families. This would be the situation if either SB 329 or 330 is passed.

Pathological 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 60 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. Suicides are four times higher in casino capitals -- Atlantic City, Las Vegas and Reno -- than in comparably sized cities where gambling is not legal. Gambling is a significant contributor to homelessness; 18% cite gambling as the cause. And, youth are twice as vulnerable to addiction as adults. In Louisiana 14% of adolescents ages 18 to 21 have gambling problems.

The proposed electronic gaming machines, with instant gratification, 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.

The machines would create thousands of problem and pathological gamblers. According to a casino industry sponsored research study, over one percent of persons having access to casinos become pathological gamblers. Some gamblers try to break their addiction through recovery programs, but most programs have only a 20 percent success.

A casino at the Wichita Greyhound Park will make casino machines accessible to over 600,000 citizens within a 50 mile radius, in Sedgwick county and 12 other surrounding counties. According to a casino industry study (not a study by casino opponents) over one percent of these people – 6,000 people – will become pathological gamblers. Another 3 % to 5 % will become problem gamblers. And, this does not include families that will be destroyed by casinos at the other three racetracks permitted by SB 329. In Iowa pathological and problem gamblers increased from 1.7 percent in 1989 to 5.4 percent in 1995, after casinos were legalized.

Research studies indicate a pathological gambler costs society between \$9,000 and \$52,000 for theft, fraud, embezzlement, absenteeism, addiction recovery, increased insurance rates, additional law enforcement, judicial and incarceration costs. So, these 6,000 pathological gamblers will cost Kansas citizens at least \$54 million annually! And, this is for only one

racetrack casino! It does not include the social and economic impact other racetrack casinos would have on surrounding areas in Kansas.

Senate Bill 330 would do even more destruction by legalizing video lottery machines not only at racetracks, but at numerous other lottery outlets, such as bars, groceries stores, and convenience stores throughout the state. If SB 330 passes, the state should plan on at least one percent of the 2.5 million people in Kansas, **25,000 citizens**, becoming pathological gamblers. Oregon, a state with a population about 15 percent larger than Kansas, legalized video poker machines in bars and taverns in 1992. A 1997 study found that 3.3 percent of the state's adults – about **78,000 people** – now have a gambling problem.

If video lottery machines are legalized at lottery outlets all over the state, at least one percent of the 2.5 million people in Kansas (25,000 people) will become pathological gamblers. Based on a minimum cost of \$9,000 per person, pathological gamblers will cost Kansas citizens at least **\$225 million annually!**

2. Increase Crime

Casinos, with large cash transactions, are magnets for criminals, particularly those wanting to launder illegal drug money.

In Louisiana, Drug kingpin Troy Marks was convicted in Feb. 1999 for conspiring to distribute powder cocaine, crack cocaine, and marijuana and laundering illegal drug money in eight casinos.

On the Mississippi Gulf Coast crime has increased in every category, with murder, rape, robbery and car theft at least doubling. Police say fraud and embezzlement are increasing at a staggering rate.

In Louisiana, 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.

In Louisiana, Gus Mijalis and I attended the same high school in Shreveport. Gus was sharp, outgoing and an "A" student. Everyone knew Gus would someday make a big name for himself. Well, he did, but not the name most people expected. Gus is now a felon. In 1996, he was convicted of bribery and fraud and is now serving time in a federal prison. As a close friend of Governor Edwards, Gus got mixed up with the Louisiana casino crowd and couldn't resist the big money payoffs offered by the casino industry.

3. Breed government corruption.

Corruption of state officials is a growing problem in states that have legalized casinos. Once entrenched, casino owners soon control state and local governments. High stakes casino dollars are often too tempting for some state officials to resist. 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:

- Former Gov. Edwin Edwards is being tried for an alleged scheme to extort millions of dollars from riverboat casino applicants.
- A 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 Indiana, former House Ways and Means chairman Sam Turpin was indicted on felony bribery and perjury charges for his involvement with a riverboat casino contractor. He now awaits trial.

Regulation is a problem, since casino owners often have tremendous leverage over government officials. Owners start demanding concessions and never stop trying to get the rules relaxed. In a 1995 report, Maryland Attorney General 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."

4. **Cannibalize businesses within surrounding areas**

"Convenience" casinos, such as racetrack casinos, (as compared to "destination" casinos in Las Vegas) are parasites. They create no new revenue or jobs. They simply suck money from surrounding areas, mostly from within a 50 mile radius. Retail and entertainment businesses suffer and are often destroyed when casinos move in.

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. Over 80 percent of casino revenues at the Prairie Meadows racetrack casino near Des Moines, Iowa, come from customers living within a 50 miles radius. **This is not economic development!**

Casinos increase the cost of doing business as a result of increased insurance rates, lost time for compulsive gambling recovery, theft, fraud and embezzlement. An insurance industry study indicates fraudulent insurance claims of pathological gamblers cost the industry an average of \$65,000 per gambler.

Senate Federal and State Affairs Committee

Testimony of Frank DeSocio
Kansas Bowling Proprietors Association

Opposition to Senate Bill 329--Support for Senate Bill 330
March 18, 1999

I would like to thank the Senate Committee on Federal and State Affairs for this opportunity to express my opposition to Senate Bill 329. My name is Frank DeSocio and I am representing the Kansas Bowling Proprietors Association.

While much has been made of the pari-mutuel track's economic downturn due to neighboring gaming, I want to make it clear that the tracks do not have a monopoly on this downturn in business. All segments of the entertainment industry in Kansas have felt the presence of riverboat gambling, and the bowling industry is no exception. Some centers in Kansas City have reported up to a 40 percent reduction in their casual bowling. People are simply choosing to spend their entertainment dollar in Missouri, rather than Kansas. Without the casual bowler, league formation and tournament participation dwindles until finally the centers will be unable to sustain themselves.

No monopoly exists with respect to contributions to the Kansas economy. There are 127 bowling centers in Kansas with over 2,600 employees. Our payrolls are in excess of 16 Million Dollars and we pay untold millions in local property taxes and state sales tax.

And, no monopoly exists for the pari-mutuel tracks when it comes to making charitable contributions to the community. The bowling centers across the state raise millions of dollars for charities each year. These fund-raisers range from the nearly three-quarters of a million dollars raised annually for Big Brothers/Big Sisters in Wichita to the \$30,000 raised for El Centro each year in Kansas City, Kansas, to the thousands of little league baseball, basketball and football bowl-a-thons held to raise funds for uniforms and equipment. All of these activities lighten the burden of the social agencies and the government and encourage self-sufficiency.

Since we are all part of the same contributions and all part of the same problem, we feel that all should be part of the solution and that the Legislature should not single out one segment, specifically two or three individual businessmen--for monopoly privileges when the tools of competition are being handed out. Their argument that the answer to a monopoly is to give them a monopoly--should fall on deaf ears.

We are asking that the Legislature consider granting all parts of the entertainment industry the tool of limited gaming in the form of slots and video lottery machines to allow us to compete with gaming in adjacent states. Such a proposal is contained in SB 330. SB 330 creates a partnership between the retailers and the State of Kansas where the State would receive 40 percent of net revenues and the retailer would pay for the cost of the machines out of the remaining 60 percent.

The State should simply not single out one group and give them additional monopoly privileges, to do so will hasten the decline of other entertainment segments in the State of Kansas such as the bowling industry.

We would urge you to oppose SB 329.

Sen. Federal & State Affairs Comm.
Date: 3-18-99
Attachment: # 3-1

Senate Federal and State Affairs Committee
Testimony on Senate Bills 329 & 330
March 18, 1999

Dave Schneider
President, Kansans For
Life At Its Best

Chairman Oleen and Members of the Committee,

Although I am here to speak in opposition to Senate Bills 329 and 330, I must say that I am impressed by the shrewdness of the approach embodied in these bills. Let me explain.

In 1982 Michael Novak came out with his groundbreaking book, *The Spirit of Democratic Capitalism*. The Wall Street Journal called it "The most remarkable and original treatise on the roots of modern capitalism to be published in many years." In the book he explains that our system of democratic capitalism is based upon three spheres — the political, the economic, and the moral/cultural. When the system is functioning as it should, each of these spheres influences the others while at the same time retaining their appropriate limits.

Now the reason why the approach is clever is that it asks the state to step out of the political sphere and (inappropriately, we would say) step into the economic sphere for the purpose of intervening (again, inappropriately) in an ongoing dispute within the moral/cultural sphere.

As you know, there is an ongoing cultural war in this country over gambling. The present phase of the battle primarily concerns the spread of casino gambling. And what makes this a somewhat unusual cultural battle and ensures that it is far from over is that the side against casino gambling runs the ideological gamut from Ralph Nader to James Dobson. It crosses the usual liberal-conservative fault lines.

The effect of these Senate Bills would be to move the state from being a neutral referee of the political process to an antagonist in the battle. It's as though the gambling folks are saying to the state, "Hey buddy, come on over here, stand in front of me, and take these bullets." A very shrewd move — if they can pull it off.

But we think it would be unwise for the state to abandon its role as neutral referee of the process. For instance, imagine if part way through the KU — Kentucky game last Sunday the ref had suddenly joined Kentucky's side while still retaining his powers as referee. Those of us who are KU fans would have been more than a little perturbed. But that's what's happening with these proposals. And worse.

You see, by placing itself in the line of fire in this battle, the state would be subject to increasing cynicism, lack of trust and the erosion of its moral authority. All the charges brought against

Sen. Federal & State Affairs Comm.
Date: 3-18-99
Attachment: # 4-1

casino gambling by the opposing side would then be laid at the feet of the state.

What this amounts to then, is a clever effort by the gambling folks to get the Legislature to do its heavy lifting. There is an alternative route available to them which wouldn't require the state to inappropriately step outside its sphere. If our goal is, as it should be, to preserve and protect the legitimate authority of the state, then we would probably be wise to keep the activity of the state within its legitimate boundaries.

Finally, it should be noted that the Legislature is being asked to open the Trojan Horse. (See attached "The 1986 Trojan Horse Amendment.") While the Supreme Court through its 1994 ruling has certainly conferred on the Legislature the power to proceed in putting the state into the casino business via the 1986 lottery amendment, the question before the Legislature should be whether it is right to do so in light of the fact that the people of Kansas were not aware they were voting to allow the state to so act.

Attachments

1. An explanation of “The 1986 Trojan Horse Amendment.”
2. A 1992 editorial by Wichita Eagle editorial writer Denney Clements. On Tuesday, March 16, 1999, the Eagle published an editorial by Clements which makes the argument that since the state is already in the gambling business via the lottery, it’s hypocrisy for the legislature to balk at expanding gambling by putting the state into the casino business. Interestingly enough, the 1992 editorial provides the refutation of the 1999 editorial. Back in 1992, Clements recognized the real differences between the lottery and what was being proposed at the time. Then he stated:

“The now familiar forms of the lottery — games based on scratch-and-win and computer-produced tickets — **are reprehensible enough**. ...And now comes Mrs. Finney championing **a new, even more destructive game**.... The Legislature should recognize **that an expansion of gambling** would further erode the state’s moral authority.”

So...seven years ago when Clements was opposed to gambling he could recognize that simply because one has erred in part doesn’t demand that one should err in full. We are not sure whether to attribute his newfound inability to understand this to his conversion to a pro-gambling position.

Here are some other interesting **Denney 1992** vs. **Denney 1999** comparisons:

Erosion or Evaporation?

Denney 1999: “Whatever moral authority that the state once had to discourage the something-for-nothing mentality that fuels gambling **evaporated** when the first buyer lost his first dollar on a lottery ticket.”

Denney 1992: “*The Legislature should recognize that an expansion of gambling would further erode the state’s moral authority.*”

On Financing Education Through Gambling

Denney 1999: “Why do this? Legislators have never seen fit to use tax money to ensure that Kansas’ schooling outposts have adequate funding for computers, modems and other technology forms that have become essential to modern education. This would help fill that void.”

Denney1992: “*Surely members can find a way to pay for property-tax relief and school finance reform that doesn’t victimize the weak and defenseless.*”

On Whether The State Should Raise Revenue By Exploiting Human Weakness

Denney 1999: “Passage of SB 329 would ensure that the state derives a greater benefit from a form of human weakness that it’s been encouraging for nearly 12 years.”

Denney 1992: “*Is it right for the state to raise money by exploiting its resident’s weaknesses? Now, as then, the answer is — emphatically — no.*”

The 1986 Trojan Horse Amendment

Back in 1986, the people of Kansas adopted the following constitutional amendment:

Article 15. -- MISCELLANEOUS

§ 3c: State-owned and operated lottery. . Notwithstanding the provisions of section 3 of article 15 of the constitution of the state of Kansas, the legislature may provide for a state-owned and operated lottery, except that such state-owned lottery shall not be operated after June 30, 1990, unless authorized to be operated after such date by a concurrent resolution approved by a majority of all of the members elected (or appointed) and qualified of each house and adopted in the 1990 regular session of the legislature. The state shall whenever possible provide the public information on the odds of winning a prize or prizes in a lottery game.

Before and during the campaign over this amendment, the idea that this was about anything other than approving your average run of the mill state lottery was never mentioned. It wasn't an issue. There was no debate about this language being a Trojan Horse which would smuggle in casino gambling. In fact, here's what our present Senate President had to say looking back six years later:

"I honestly believe that the Kansas voters in 1986 had no idea they were voting some kind of language into the constitution that would permit casino gambling."

Sen. Dick Bond, quoted in "Senators propose ban on casino gambling", Lew Ferguson, Topeka Capital-Journal, January 24, 1992.

Less than three weeks later the Wichita Eagle joined in:

"Though Gov. Joan Finney asserts otherwise, the people of Kansas didn't think they were saying yes to such casino games as poker, roulette, craps and blackjack when they approved the lottery in 1986."

"Weird," The Wichita Eagle, February 9, 1992.

And they are both right. But in 1994, in the case of *State ex rel. Stephan v. Finney*, 254 Kan. 632, 867 P. 2d 1034 (1994) (*Finney II*), our Supreme Court ruled in a 4-3 decision that the term "lottery" in the 1986 amendment was to be interpreted to mean **all forms of gambling**. As a result, when folks voted to allow the state to own and operate a lottery, they unknowingly were also voting to allow the state to go into the casino gambling business if it so desired. The lottery amendment *was* a Trojan Horse! But, because the amendment wasn't self-executing, it still required enabling legislation. In the opinion, Justice Lockett wrote:

"Article 15, §3c of the Kansas Constitution is not self-executing. Implementation of additional forms of state-owned and operated gambling must be enacted by the legislature."

Here's how Justice Kay McFarland, in writing for the minority dissenting justices, explained the matter:

"...even if "lotteries" and "a lottery" as used in Art 15, §3 and in Art 15, §3c, respectively, are both construed broadly, as does the majority opinion, then casino gambling remains unlawful in Kansas. This result arises from the fact that Art 15, §3c is not self-executing. The amendment states the legislature "may provide" for a state-owned and operated lottery. The enabling legislation is the Kansas Lottery Act, K.S.A. 74-8701 *et seq.* Under the Act, the State may operate only what are true lottery games. The exceptions in the Kansas Criminal Code relative to gambling which exempt the state-owned lottery activities are limited to the "lottery" operated under the Kansas Lottery Act. Thus, **even if the Kansas Constitution is construed to permit the legislature to authorize the State to own and operate casino gambling, the legislature has not done so. Therefore, casino gambling is unlawful in Kansas.**" (Emphasis added)

Senate Bills 329 & 330 would serve as enabling legislation to open the door of the Trojan Horse.

715

TESTIMONY PREPARED FOR

THE KANSAS SENATE

FEDERAL AND STATE AFFAIRS COMMITTEE

SENATE BILL 329
AND
SENATE BILL 330

REGARDING DOG RACING

PRESENTED BY



Wendell E. Maddox, Jr.
Regional Director
Department of Field Services
306 East 12th Street
Kansas City, MO 64106
(816) 474-0888

Sen. Federal & State Affairs Comm.
Date: 3-18-99
Attachment: # 5-1

My name is Wendell E. Maddox. I am a native Kansan residing in Wyandotte County, and the regional director for The Humane Society of the United States (HSUS), based in our regional office in Kansas City, Missouri. The HSUS is a national non-profit organization dedicated to the prevention and elimination of cruelty to animals. The HSUS is the largest national humane organization in the country, with a constituency of more than six million persons, including over 27,000 residents in Kansas.

We do not support the passage of Senate Bills 329 and 330 because they are aimed at propping up the failing pari-mutuel dog racing industry. The HSUS opposes greyhound racing because of the racing industry's surplus breeding practices, the often cruel methods by which unwanted dogs are disposed of, and the daily conditions in which many dogs are forced to live. Furthermore, we recognize that the industry exists solely for the entertainment and profit of people at the expense of animals.

Between 1993 and 1997, an average of 14,500 greyhound puppies each year never made it to the track, and were culled because they were not considered viable racers. During the same time period, an average of another 16,500 former racing greyhounds each year weren't lucky enough to be adopted, and were either destroyed, sold to research facilities, sent to foreign racetracks, or returned to a farm as breeding stock; we believe the vast majority of these dogs were destroyed. In this five-year period the industry claims to have placed an average of 15,800 dogs into adoptive homes each year. Despite the media attention devoted to greyhound adoption, these statistics show that only one-third of the average 47,000 dogs bred annually, from 1993 to 1997, were adopted; the remaining two-thirds, roughly 31,000 dogs, met with much sadder fates. They are often disposed of by using the least expensive methods, including gunshot, bludgeoning, abandonment and starvation.

I realize that these bills are related to the creation of various forms of gambling at dog and horse racing facilities and not a debate about whether they should continue. However, we cannot ignore the fact that the greyhound racing industry survives off of the suffering and exploitation of greyhounds. If it cannot survive on its own merits, it should close just like any other business that can't turn a profit. It is not the legislatures responsibility to provide a "bailout" by subjecting the citizens of the state to a form of regressive taxation.

In 1986 supporters of greyhound racing promised this legislature and citizens of Kansas an economic bonanza. At that same time I appeared before this committee and stated that there was no way the industry could produce and perform over the long-term as they have promised. I not only informed this body about the cruelties inherent in dog racing, I presented facts that showed racing revenues were declining nationwide.

Even the reputable, and typically reliable, Midwest Research Institute predicted Wyandotte County would realize annual revenue ranging from \$4 to \$5 million annually. While Wayne Strong, of the Kansas Greyhound Racing Association, estimated State revenue to be \$16.5 million and \$2 million to Wyandotte County. Others were projecting new hotels, restaurant and, other forms of entertainment, as part of racetrack development that never materialized.

The most interesting and compelling article in support of pari-mutuel wagering was written and published by Chuck Henry in the Kansas Business News March, 1988, issue (attached). Henry's assertion was that horse racing, not dog racing, was going to be the "real" revenue generator. "Dog racing provides a faster return on investment for the developer." History tells us that attendance at dog-only tracks, in areas not considered tourist havens fades

over the years", Henry said. We all know that attendance at horse racing has declined so dramatically that it is almost non-existent.

Even a Kansas City Star editorial published on October 17, 1986, urged voters to vote against pari-mutuel in Kansas because they theorized that money would be wagered at the track rather than spent on goods and services. It is no mystery why Wyandotte county no longer has a viable retail shopping center. Its decline can be directly related to the infusion of gambling opportunities in the Greater Kansas City area.

As an animal protectionist and a citizen of Kansas, I urge you to Vote No on S.B.'s 329 and 330. It is time to bring industry to the state that is going to create "real" jobs and real economic development. And, it is time to stop exploiting animals for the sake of profit and greed.



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**TESTIMONY PRESENTED TO THE
SENATE FEDERAL AND STATE AFFAIRS COMMITTEE
re: SB 329**

March 18, 1999

**by: Rebecca Rice, Legislative Counsel
Kansas Clubs and Associates**

Madam Chairman and members of the committee, my name is Rebecca Rice and I appear before you today on behalf of the Kansas Clubs and Associates to express opposition to SB 329.

The Kansas Clubs and Associates is an organization of private clubs and associated businesses located primarily in the NE corner of Kansas. The proprietors of these clubs and associated businesses are opposed to SB 329. They believe legislation which grants a monopoly license for most of the gambling revenue earned by lottery retail contractors to just two individuals is **bad** public policy. As current lottery retailers, they believe it is unfair to punish them for being long-time, small business owners, tax-payers, and long-time state lottery retailers by refusing them an equal opportunity to offer the same lottery games proposed in this legislation.

Our objections:

- If you grant these seven-year exclusive licenses which are limited to current licensees prohibiting any other racetrack/slot machine combination businesses, you will create a monopoly monster that future legislatures will be powerless to control. I base that statement on a review of the bill's fiscal note which show the conservative figures on what a monopoly license will net each of these two men.
- It is unfair (and we hope unconstitutional) for the state to involve itself in *economic engineering* by treating two like businesses differently--whether it is imposing tax rates or granting lottery licenses. There is a reason why the legislature doesn't grant monopolies on any other service or product (except those previously deemed an essential public service--electricity, phone service, etc.)--because you can't and you shouldn't.

For example, you would understand implicitly that limiting retail liquor licenses or tobacco retail licenses to 4 people located in the 4 corners of the state would be bad public policy. It would not discourage consumption although the 4 people who were

wanting the licenses would be trying to persuade you that it would. Such a monopoly for the purpose of limiting access, and therefore consumption, would seem to make sense--except when you consider the power, both in retail sales and in financial wealth that a monopoly license in either liquor or tobacco would grant that individual. With such examination, it becomes obvious why this legislature would never create monopoly licenses for those particular *sin* activities. Our historical experience with alcohol tells us that limiting access does not lessen demand, sales or consumption. It does, however, make those few providing the product very wealthy.

So why is the only slot machine legislation that is ever considered by the Kansas Legislature, *monopoly-based* legislation? The purported reason is to limit access. Why?

If this legislature concludes the Kansas public wants access to slot machine gambling or casino gambling, why would you assume the public wants to drive a long way to do it? In all the legislative hearings I have attended on this subject over the last 5 years, I don't recall any statistical data being presented, either by the Governor's office or by any other supporter, that proves the assumption that legalizing casinos and slot machines but limiting the number of locations controls the number of people who gamble or the amount of money gambled. Such limitation simply guarantees that the physical structure housing the gambling activities will be huge to accommodate the monopoly status and guarantees the size of the advertising budget encouraging the activity. We understand that this reasoning is based upon an "out of sight, out of mind" theory. This legislation will encourage the monopoly-licensees to have a very large advertising budget, so we shouldn't delude ourselves into believing no one will notice that the Kansas legislature has legalized more ways to gamble--and if in inconvenient locations, the operators will be happy to provide transportation.

Several new legislators have approached me this year inquiring as to why the pari-mutuel tracks, my organization and the fraternal clubs can't get together on a compromise. They seem to believe we have been effective in our efforts to defeat legislation which does not include these entities. My response is that we have anxiously awaited the opportunity to discuss **any** compromise with the tracks. However, in these 5 years, we have never been approached for discussion about compromise. Nevertheless, we continue to optimistically present our alternatives every time this legislature considers legalizing additional forms of gambling.

We suspect the reason we have not been approached about a possible compromise is that a monopoly license on slot machines is worth waiting for. In their situation, I wouldn't compromise either. If I had a chance to have a monopoly gambling license, I would not want to consider eliminating or diluting that monopoly unless absolutely necessary. And, the monopoly license under this bill is for slot machines. There is nothing to prohibit future legislatures from extending that monopoly to all gambling activities--something certainly worth the wait.

- Certain provisions of the bill could result in an interpretation you may not intend. Every gambling bill deserves careful reading with the emphasis on what *might* be allowed or how the court *might* interpret any limitations contained in the legislation. The experience of other states indicates that the terms in SB 329 will not *necessarily* be given a *common* meaning--Missouri is our closest example of regulatory interpretation differing from legislative intention. We offer the following examples:
 - 1). We would suggest you define "adjacent to" for purposes of determining where the slot machines can be placed.
 - 2). What is the result of striking the definition at line 22 on page 2
 - 3). Who is currently affected by the definition of parimutuel licensee at lines 34 through lines 43.
 - 4). Be certain you don't want to require the machines to be physically located in the parimutuel facility if the purpose of the legislation is to encourage individuals to participate in the parimutuel races.
 - 5). We are uncertain what the amendment at lines 23-27 on page 8 accomplish.
 - 6). My clubs would like to be afforded the same "knowing" excuse for underage individuals found on page 9, line 20-21. Why is the age 18 but the age to gamble at a slot machine will be 21 (lines 38-39 on page 12).
 - 7). New section 15 on page 12 is very interesting. It begins to show the problems inherent in two agencies having control and operation over the same activity and machines. Why is the racing commission involved with the machines at all?

These are only a few of our concerns with the actual content of the bill as opposed to our strong concerns about the *monopoly philosophy* it promotes.

Thank you, Madam Chairman and members of the committee for allowing us to testify in opposition to SB 329.

TESTIMONY PRESENTED TO THE
SENATE FEDERAL AND STATE AFFAIRS COMMITTEE

RE: SB 754

April 29, 1996

by: Rebecca Rice, Legislative Counsel
Kansas Coalition for Gaming Equity

Thank you, Mr. Chairman, and members of the committee. My name is Rebecca Rice and I appear before you today on behalf of the Kansas Coalition for Gaming Equity. We appear as opponents to SB 754.

The Kansas Coalition for Gaming Equity is formed by the Wyandotte County Private Club Owners Association and the Kansas Amusement and Music Owners Association. The coalition is to present a united front to the Legislature regarding the racetrack's continual efforts to obtain a monopoly on future gambling revenues.

The Coalition is opposed to any legislation which is designed to benefit one type of entertainment business over another. We regret that this issue is being heard on what is hoped to be the very last day of the session. It is my experience that individual legislators regret rushing this kind of new legislation on the last day because they find out that the legislation was not what it was purported to be. Absent emergency or newly obtained information, there is no need for legislation to be heard this late. This is certainly not a new issue. If the proponents were overly confident about the chances of more ambitious legislation passing in the Senate, this committee has no obligation to correct that error in judgment. Why the press continues to say the legislature has not dealt with the gambling issue baffles me. As this committee is aware, the Senate earlier rejected both a constitutional amendment to allow casino gambling and the Governor's proposal to allow gambling in select locations. The legislature, through the Senate, had addressed this issue by voting no in large numbers. Mr. Chairman, although it may be uncharacteristic or inappropriate to question the process we run that risk because we want to express our unhappiness with this situation.

We were able to see the bill as amended for the first time this morning. I will refer to Section numbers for the purposes of this testimony as I did not have page numbers and line numbers. I was fairly certain of the amendments that were adopted on the floor of the Senate and, in reviewing the bill this morning, it does not appear any of my testimony needs to be altered due to those amendments.

We addressed the issue of special treatment for certain entertainment businesses with the Interim Committee on Gaming and offered alternatives if the Legislature is determined to adopt legislation adding new types of gambling for the exclusive benefit of a few businesses.

The alternative we presented was based upon the stated goal of the racetracks and breed groups to design legislation to renew interest in pari-mutuel racing and return people to the tracks. At that time, the problem was presented as being small *purses*. It was explained that the horses and dogs could not afford to run in and the public was not interested in betting on races with small purses.

We argued against the monopoly slot machine legislation promoted last year. Part of that argument was that we believed the racetracks were not promoting legislation for the maximum benefit of pari-mutuel participants. Based upon that belief it seemed rather obvious to us that any number of other ideas could be promoted to advance that stated goal more fairly and effectively than a gambling monopoly for racetracks.

So we offered an equity proposal that was essentially two-fold: First, it spread the slot machine option to all entertainment business, not a single, favored group; Second, it committed a certain percentage of slot machine revenues to be used as purse enhancements for racetracks. Under our plan, *purse pools* would be created to hold the revenues for disbursement to tracks on a proportionate basis. We proposed allowing businesses with liquor licenses to have slot machines with a limitation on the number and location. We also

suggested that the state has actual tourist attractions, like Front Street at Dodge City, which could also benefit greatly from slot machines and which actually might attract individuals from out of state. It was designed to encourage the racetracks to remain primarily interested in pari-mutuel racing and encourage the creation of increased competition at the racetracks through higher quality animals which we believe would also help to revive interest. It was also designed to protect local mainstreet businesses in counties which voted to allow the machines.

Interestingly, the Governor and/or the racetracks and breed groups did like some of our ideas. The Governor's proposal and this legislation endorses our idea of *purse pools*. Apparently the Governor also agreed that Front Street should not be shut out.

We appreciated the fact that some of our suggestions were considered by others. However, we are extremely discouraged by this legislation. We are opposed to establishing a separate class of lottery retailers. The point of this bill is to give a limited group of lottery retailers special financial and marketing advantages. These advantages include giving a much more generous percentage to the track retailers, provide a higher payout and allow different games and machines than are allowed to the newly-established second class lottery retailers, who are numerous, but apparently unimportant.

Although proponents agreed this summer that slot machines will have a cannibalizing affect on area businesses, there seems to be an agreement that this legislation will have no fiscal impact on the Lottery or lottery retailers. This is based upon the assertion I **think** I heard on the Senate floor although I have not seen or heard any evidence to support this. That is hard for me to comprehend. Apparently so long as new games and machines are introduced, the percentage retained by the Lottery is immaterial.

We request that, at the least, the same consideration be given to other lottery retailers that is given to these retailers. Don't start the practice of selecting certain lottery retailers for special consideration. There is no basis for one lottery retailer to be treated any different than any other lottery retailer. Once you start down this path, you will be asked to make exceptions every year. This only sets you up for the arguments next session that the tracks just need a little more special treatment and you will have already given that special treatment this year. All retailers should be allowed to operate and be treated the same **under a state owned and operated business**.

With our position stated, I would like to discuss certain parts of the bill which should be examined either so you know exactly what they do or so the language can be amended to reflect the intentions of the drafters. I also want to note that if these are drafting errors rather than instruction errors, it is important to remember the sheer volume of work given to the revisors and research staff at this time of year. We did not present these remarks to the Senate Federal & State Affairs committee because copies of the bill were distributed at the same time as "comments" were accepted from the public attending the meeting. We did not have sufficient time to review the bill at that hearing. We were only able to suggest the amendment be adopted to specify that racetrack lottery games would not include slot or video lottery machines.

Mr. Chairman, I would like to draw the committee's attention to several sections of the bill which I have identified as having potential problems or questions:

- Sec. 2 (g): The definition of Keno does not require that the numbers be generated and selected by the Lottery. It simply states that a computer or other device will randomly select the winning numbers. Although video lottery machines are specifically prohibited under current law, this new definition for keno may allow a "keno terminal" so long as it does not accept cash or other consideration.
- Sec. 2 (k): The definition of net income speaks only to the sale of tickets and shares. I do not understand exactly what "shares" means. This language appears to be unnecessarily limiting so I suggest amending the bill to simply say "all revenue from racetrack lottery games" to ensure that the revenue is remitted no matter what type of game is played.
- Sec. 2 (t): The definition of racetrack lottery retailer location is any location specified by contract with the Lottery director. In reviewing the balance of the bill, I can not find any requirement that the

machines only be placed in, or contiguous to, the racetrack facility nor do I find any limit on the number of locations. You will also note it speaks to "tickets and sales" rather than "tickets and shares".

Under New Sec. 3 (b)(4), the bill states the contract between the Lottery and the racetrack licensee shall state the times of operation, the locations of operation within the racetrack facility and other matters. It is my opinion this indicates that the intention of the committee introducing the bill was to limit the machines to the racetrack facilities. However, a careful reading shows this is not limiting language. It simply states that if machines are in the racetrack facility, the contract has to state the location. Additional limiting language in that section requires any such contract must be approved by the racing commission who must determine it is in the best interests of the Kansas racing industry. That is, perhaps, a comforting limitation. However, I would advise against relying upon those limitations based upon previous testimony to this committee which indicated the commission may have wildly differing philosophies based upon who is appointed by which governor.

- Sec. 2 (bb): I am also suggesting an amendment to the current definition of "video lottery game". You will note the current definition is limited to video games *authorized by the commission*. This implies that if the game has not been authorized by the commission it does not constitute a video lottery game. Therefore, it is possible the racetrack game utilizing the horse or dog theme [Sec. 2 (r)] could be a video lottery game so long as it did not play or simulate a game authorized by the commission. I believe there are many games of chance which the Lottery has not authorized.
- New Section 3(c): We strongly suggest the requirements for live racing be mandated with no exceptions and that the phrase *seeks approval* be removed everywhere in that section. With all of the qualifiers in New Section 3, it is very possible there would be no live racing at any or all of the facilities.
- New Section 5: We would strongly suggest the legislature determine the percentage breakdown between the purse enhancement and the Kansas bred fund be determined by the Legislature. This legislation allows the Kansas racing commission to make the determination on how the funds will be apportioned. Again, if the problem with parimutuel popularity is the small purses, we need to ensure sufficient funds are being placed in the purse enhancements. If the problem is actually that the Kansas public is simply not interested in parimutuel racing anymore, perhaps we should allow the free market system to operate and not prop up an industry by artificial means.

Apparently, the different breed associations have programs to award those owners who have Kansas bred horses and dogs. We believe the legislature should codify those programs with any necessary modifications so that you can ensure tax dollars are being spent in the manner you intend. This money does not belong to the associations but belongs to the state just as all other lottery revenue. We would also suggest that sub part (b) require that the person designated by the executive director to approve vouchers for payment be limited to either a racing commission staff member or a member of the racing commission.

- Sec. 8 (a) (7): We would suggest the lottery director be questioned as to whether the new requirement that lottery retailers pay an application fee sufficient to pay all expenses of any background investigation implies that all lottery retailers must now undergo a background check and, if so, whether it will make it more difficult to enroll lottery retailers because the profit margin for the non--racetrack lottery retailers is so minute. This comment is based upon the assumption that the present lottery retailers are not subject to a background check due to the types of games played, and the small amount of profit involved.

The last issue I want to address is the subject of the bingo machine on display in the Capitol last week. As you are aware the Attorney General issued an opinion that those machines are legal under the bingo statutes.

The assumption was then made by some senators that they would be legal at the racetracks because SB 754 incorporates the bingo statutes for purposes of stating what types of bingo can be played at the racetracks. However, the Attorney General's opinion does not address whether those machines would be legal under this legislation.

I do not think this legislation allows those machines to be placed at the racetracks. I believe they are illegal by the specific prohibition of video lottery machines under the lottery statutes. I am unable to locate a similar prohibition under the bingo statutes. Therefore, what is not specified in the bingo statutes, and therefore allowed according to the Attorney General, is specifically prohibited by the lottery statutes under which the bingo games will be played.

It is important, Mr. Chairman, that my opinion be specifically entered into the record in case any court action is taken regarding this legislation. I think we can assume some court interpretation will be required at some point because that seems to be the tradition of gambling legislation. That is why we would again caution the committee to be certain this legislation is very clear so you can be certain it allows only that which you think or have been told it allows.

Thank you, Mr. Chairman, for allowing me to present this testimony.



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**TESTIMONY PRESENTED TO THE
SENATE FEDERAL AND STATE AFFAIRS COMMITTEE
re: SB 330**

March 18, 1999

**by: Rebecca Rice, Legislative Counsel
Kansas Clubs and Associates**

Madam Chairman and members of the committee, my name is Rebecca Rice and I appear before you today on behalf of the Kansas Clubs and Associates to express our support of SB 330.

The Kansas Clubs and Associates is an organization of private clubs and associated businesses located primarily in the NE corner of Kansas. The proprietors of these clubs and associated businesses would appreciate your support of SB 330--if you determine the public is demanding the legalization of additional forms of gambling.

In 1995, we presented to the interim committee on gambling an alternative to the slot machine/casino gambling legislation being promoted by the pari-mutuel tracks. We had heard during the 1995 session and then during the interim hearings that the reason Kansas needed to legalize additional forms of gambling was to help the pari-mutuel industry. It was about saving Kansas' pari-mutuel livestock producers. It was not about unjustly enriching the owners of the racetracks.

In response to the supporters' assertions, we presented an alternative outline which we thought better addressed the issues the supporters stated were the reasons for needing the legislation. I have attached both the memo we sent to the interim committee and a copy of the outline. I have also attached the testimony presented to the House committee in April, 1996. That testimony is provided for those Senators who weren't here in 1996, simply to provide some background about the issues and atmosphere which have accompanied this issue in the past. It is this 1995 alternative that has been the basis for SB 330 and for the other proposals through the years that we have presented as alternatives to the consistent *monopoly-based* legislation presented by the racetracks and, on occasion, by Governor Graves.

After reviewing our proposed 1995 alternative, I still really like that plan. The supporters of legalizing more gambling liked certain parts of the outline. Unfortunately, they didn't endorse the idea of allowing everyone to participate. Therefore, all future gambling legislation included, at least, language creating some type of *purse pool* fund. It is my

memory the proposed legislation occasionally would include the *historical sites* language. But, it never included my clients.

SB 330 also incorporates only parts of this original 1995 outline. These parts were omitted because we are uncertain whether the stated motivation for the *monopoly-based* legislation of SB 329 remains preservation of the pari-mutuel sector of Kansas agriculture or whether it has shifted to recovery of tax revenue which others fret is being *lost* to the Indian casinos and Missouri.

It **appears** the new rationale for legalizing more forms of gambling is loss of tax revenue. The poll which it was reported the supporters conducted appears to have focused upon whether the public opinion regarding the evils of gambling has lessened. The unsurprising poll results apparently showed that the public no longer disapproves of gambling. If that is true--that the Kansas public no longer believes gambling is an immoral tax on the poor and the weak which eventually cannibalizes local business--then perhaps the legislature is justified in legalizing new forms of gambling. **More importantly, there is absolutely no reason for the state to grant a *monopoly license to the two current owners of the pari-mutuel tracks.***

If this legislature determines there is an unbearable loss of tax revenue to the Indian casinos which must be remedied by providing adequate competition for them, the logical and rational result is to allow the placement of video lottery machines or some form of electronic gambling devices in those businesses which currently have state licenses to serve alcohol, the historical/tourist sites listed in our outline from 1995, current gambling licensees (bingo and pari-mutuel) and the State Fair.

We originally suggested the State Fair because the rationale for the legislation was preservation of pari-mutuel agri-business. It seemed only logical that if we were saving a sector of Kansas agriculture, we should give the State Fair, as part of that effort, an opportunity to supplement its budget with the revenue from slot machines. In later negotiations for amendments on the bill, we suggested the purses at the tracks be structured to pay a much higher premium for those winners which were Kansas bred and owned and to create a fund at the State Fair to both enhance premiums paid for all livestock exhibited at the fair and to require enhancements for Kansas bred and owned exhibited livestock.

If, however, the impetus behind the current effort for slot machines at the racetracks is not preservation of the pari-mutuel sector of Kansas agriculture then you probably don't need to emphasize agriculture in earmarking the state's share of any additional gambling revenues. Then the assumption becomes that the impetus is enhanced tax revenue and additional income for the racetracks. If so, placement of electronic machines at the historical/tourist sites in addition to drinking establishments and bingo licensees more closely achieves those objectives, as proven by the two fiscal notes.

I have never understood why Front Street in Dodge City, Old Abilene Town and Cowtown in Wichita are never included when the legislature considers legalizing

additional gambling. These three "real" tourist attractions with their old west themes--places out of state travelers might actually visit--seem the most logical locations for slot machines and other "old west" gambling games. But they are never included.

As you will note in my 1995 outline, we provided two alternative "local voting" options. We did not include a county by county referendum in SB 330 because it seems unnecessary if the legislature is comfortable that the public supports legalizing additional forms of gambling. If it is important to the public or to this body that a local vote precede the implementation of SB 330 as the aforementioned poll apparently shows, we would have no objection to placing a county vote provision in this legislation.

A county vote option would surely appease any concerns the Governor and other *qualified supporters* might have about new forms of gambling being placed in drinking and bingo establishments. We feel certain neither the Governor nor the other qualified supporters of new forms of gambling, support SB 329 because they wish to enrich the two men targeted in that bill. Nor do we assume their qualified support of additional gambling is rooted in wanting to enrich Wyandotte and Sedgwick counties to the specific exclusion of the other 103--especially if those other 103 counties specifically want and would vote for the new gambling. We are just as certain both the Governor and the other qualified supporters of additional gambling will want to ensure they are not utilizing a *selective morality* to justify an extremely unjust proposal.

Supporting new unlimited gambling at two primary state sites while opposing that same form of gambling at any other location or business in the state is an irrational, illogical *selective morality* that creates state-sponsored economic engineering, choosing one business owner over another for competitive advantages inherently designed to cripple the non-state endorsed business. The state should not and I hope does not have that right.

For inclusion in the committee record, we want to note that the fiscal note prepared for this bill includes a presumption by the racing commission that the commission will have some authority over any machines placed at the racetracks. SB 330 does not include a provision granting the commission any authority over any lottery machines. SB 330 leaves full authority for lottery machines and games with the lottery. Just as the racing commission does not make decisions regarding a racetrack's liquor license, they would have no authority over the lottery license operation.

Again, we are open to discussion on any compromise. We, also, want to reinforce the fact that you are making decisions regarding a **state owned and operated business** which was originally created for the purpose of increasing tax revenue based upon a belief that Kansas people wanted to gamble. The constitutional amendment allowing for a state owned lottery was not adopted by the Kansas people as a mechanism to legalize slot machines at basically two sites for the economic benefit of two individuals.

Thank you, Madam Chairman and members of the committee for allowing us to present this legislation as an alternative to the monopoly-based legislation of SB 329.

Alternative Slot Machine Legislation
to Benefit the Maximum Number of Kansas Citizens

I. Operation of alternative slot machine legislation

A. Placement of Machines

1. Establishments with on-premise liquor licenses
 - a. Licensed and regulated by Alcohol Beverage Control
 - b. May currently be licensed as lottery and/or bingo establishment.
 - c. Hours for operation of slot machines would be the same as statutory hours for serving alcohol.
2. Bingo Establishments
 - a. Currently regulated by ABC.
 - b. Hours of operation of slot machines would be the same as for serving alcohol whether or not the establishment has a liquor license.
3. Racetracks
 - a. Regulated by various agencies.
 - b. Would operate under same conditions as industry has proposed in testimony as it relates to days and times of racing.
 - c. Should include statutory provisions allowing current facilities to increase the number of days of live racing, and provisions for issuing additional racetrack licenses as deemed feasible by the racing commission. Denial of a track license would be reviewable by the courts for arbitrary and capricious behavior.
 - d. Prohibited from selling alcohol at hours different from other licensees
4. Tourist Attractions
 - a. Dodge City/Front Street
 - (1) It has long been agreed that the saloon at Front Street was the most appropriate tourist attraction for the placement of slot machines in Kansas. Slot machines would mean additional color and excitement to help attract tourists to Dodge City.
 - b. State Fair
 - (1) Although perhaps not in the spirit of the original purpose of the state fair, slot machines would seem to fit perfectly with its present emphasis. The option should at least be retained.
 - c. Other possibilities to be considered
 - (1) Cowtown, Wichita
 - (2) Old Abilene Town
5. Limitations
 - a. Number of machines
 - (1) The number of machines could be limited by the amount of square footage of the facility or by a limitation on the number per facility.
 - (2) The machines could be required to be in an area of the facility where minors would be restricted.

B. Slot Machine Revenue

1. Gross Revenue
 - a. A percentage payout to players sufficient to retain interest in play.

2. Net Revenue
 - a. A competitive percentage would be established for the owner of the establishment where the slot machine is located.
 - b. A competitive percentage for the owner/lessor of the machine
 - c. The state would receive the remaining percentage
3. Usage of State Revenues
 - a. A percentage of the state's revenue remaining after operating costs would be dedicated to a "purse and handle" pool. The revenue remaining would be placed in the general fund. Excess would be defined by statute.
 - b. The "purse and handle" pool would be created for the purpose of dramatically increasing both the purses and the handle proportionately at each racetrack.
 - c. The purse pool would be administered by the appropriate state agency (the racing commission or a newly created gaming commission). Because this is state tax revenue being used for subsidies for the horse and dog industries, a government agency must be responsible for appropriate disbursement and oversight.

C. Implementation

1. Constitutional Amendment
 - a. Recommend a statewide vote structured similar to the "Liquor by the Drink" amendment
 - b. The amendment would have to be adopted on a statewide basis and the machines could only be placed in those counties in which the majority had voted to legalize slot machines.
2. Statutory change requiring a county vote
 - a. Recommend a county by county vote similar to legislation adopted for legalization of corporate swine and dairy operations.
 - b. One exception would be to require a county wide vote and not allow the county commissioners to implement it if no protest.
3. Privately Owned and Operated
 - a. All gaming machines would be tied to a central computer system operated by the appropriate state agency. If percentage paid out and retained by the operator are sufficient, there will be less concern regarding security.
 - b. The machines should be privately owned and operated to avoid the present situation of a single contract being awarded to a manufacturer. This will provide a greater opportunity to the establishment owner to determine the types of games for the establishment and will provide a greater flexibility.
 - c. The independent machine operator provides the greatest flexibility to the establishment owner by allowing a lease or sale arrangement and causes the least disruption to the present amusement machine distribution and operation system.

II. Reasons for considering alternative slot machine legislation

A. Problems with traditional track/slot machine legislation

The breeder associations and the racetracks claim the primary problem at the racetracks is that gamblers are going to river boat casinos in Missouri to gamble. The intention of the tracks' slot machine legislation is to encourage gamblers to return to the tracks to gamble and to bet on horse and dog races while they are playing the slot machines.

1. The proposed legislation does not guarantee an increase in purses, an increase in the number of people placing bets on races at the tracks, and does not shift the primary center of gambling away from the direct river boat competition in Kansas City. The net revenue is to be shared with the state's horse and dog breeder associations in an unknown formula to be used as the association sees fit, limited only by the associations' by-laws.
2. The proposed legislation prohibits any track from operating slot machines until the track has entered into a contractual arrangement with the various breeder associations, the terms of which have no reference in the legislation. This requirement seems to grant to an individual breeder association or the associations collectively, the opportunity to "blackball" any track by simply not agreeing to a contractual arrangement. The legislation does not prohibit contractual "exclusivity" language or behavior by the associations.
3. The likely result is that the number of gamblers will not increase sufficiently to solve the perceived problems of the Woodlands due to the types of casino operations in Missouri. The consequence will be that in a few short years the legislature will be asked to allow more types of gaming at the tracks, continuing the trend of shifting the emphasis from racing to gaming.
4. By severely limiting the number of outlets, the total revenues will be minimal compared to the potential revenues from statewide implementation.
5. Most experts agree the population has a limited amount of discretionary income to spend on entertainment. Local businesses and organizations which are social/entertainment oriented will suffer under a system that grants a slot machine franchise to three businesses. Local communities and neighborhoods will suffer when local businesses and organizations are hurt financially.

B. Advantages of alternative slot machine legislation

1. Dramatically increases the revenues from slot machines
 - a. The director of the lottery has confirmed that placement of slot machines at a large number of outlets dramatically increases the number of players and the revenue received.
 - b. The testimony from other states indicate Lottery revenue will not be adversely affected.
2. Allows tracks to remain in the primary business of running races
 - a. The increase in purses and handles could bring in the best animals throughout the Midwest.
 - b. The horse and dog industries would grow dramatically in Kansas due to the financially competitive nature of Kansas racing.
 - c. Kansas racing would be more stable than other states' because revenues would not be as dependent upon the whims of gamblers in a certain geographic area. For example, the Kansas Lottery has not experienced the same loss of business as the racetracks because it is located in all counties at as many locations as possible.
 - d. The tracks would still have slot machines for financial assistance during the transition period before the initial pool revenue was distributed and attention was refocused on racing.
 - e. While the number of outlets to be policed will increase, it may decrease the size of the problems that will need to be policed and will also, likely, decrease the influence that a miscreant licensee can bring to bear on the policing, licensing and legislative processes.
3. Assists local businesses and organizations
 - a. Local social/entertainment oriented businesses and organizations would not lose business due to slot machines being limited to three locations.
 - b. Presumably, each Kansas community would benefit by citizens "staying home" to eat out, socialize and play slot machines, keeping entertainment dollars in local communities and neighborhoods.



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-- MEMORANDUM --

TO: The Interim Committee on Gaming
FROM: Rebecca Rice, Legislative Counsel
Wyandotte County Private Club Owners & Associates Assn.
DATE: October 13, 1995
RE: Alternative slot machine legislation

As you may recall at your last meeting, then-Chairman Moran asked me how many members were in the Wyandotte County Private Clubs Association. I did not know the number at that time but upon checking with the president, I was told the membership averages 45-50. There have been as many as 80 and the number varies because dues are paid on a quarterly basis. I apologize for not knowing the answer at that time.

I have enclosed an outline of our proposed alternative slot machine legislation designed to ensure long term stability and growth for parimutuel racing in Kansas. At your last meeting, both the industry and the Governor's office noted the purpose for adopting any legislation allowing slot machine gambling in Kansas was not to increase revenues for the owners of the Woodlands, but, more importantly, to "save" the Kansas dog and horse industry by "saving" parimutuel racing. We believe the plan put forward by the racetracks and the breeder associations does virtually nothing to insure the future of Kansas parimutuel racing; more, it is not designed to ensure long-term stability and growth so that our racetracks can be considered among the best in the nation. Clearly, granting the three racetracks an *exclusive franchise* on slot machines would be highly lucrative to the owners. However, we do not believe the plan proposed by the racetracks is the best plan for Kansas or Wyandotte County. Nor do we believe it is the best plan for the future of pari-mutuel racing.

Our proposal would allow slot machines in class A and B clubs, bingo establishments, racetracks and at certain tourist attractions, such as Dodge City's Front Street, Wichita's Cowtown, and Old Abilene Town. A portion of the State's huge amount of revenue generated by those slot machines would be used to create a *dog and horse purse pool*. The *purse pool* would be divided proportionately among each racetrack. The purses at each track for both dogs and horses would be increased dramatically and could be increased to the extent that Kansas could compete among the largest purses in the United States. The prospects for growth of the parimutuel industry in Kansas, if we have a mechanism to have the largest pools in the nation, would be unlimited including attracting a higher caliber of racing animal and generating greater simulcast revenues for the broadcast of Kansas racing.

We are asking that you consider this alternative with consideration of what is best for Kansans in all communities. The pari-mutuel lobbyists have done an excellent job of convincing this Legislature and some local units of government that the Kansas public will not accept slot machines anywhere but in *gambling centers* located at the three racetracks. However, if we are able to rally the state's fraternal, veteran, and club owners behind this proposal, including entire communities which would be included rather than excluded, we believe this proposal will be acceptable to most Kansans. Of primary importance is that the county option will allow citizens in each county to make the decision. County boundaries are no more artificial than the boundaries surrounding a racetrack.

As you may recall, pari-mutuel was adopted in this state for the benefit of pari-mutuel racing. Most Kansas citizens will begin to question whether granting an exclusive franchise for slot machines to racetracks will actually benefit pari-mutuel racing or is designed to benefit the track owners. However, with all of the above organizations working to pass a constitutional amendment to benefit all communities and pari-mutuel racing, a constitutional amendment might pass.

We have been in contact with the state office of the American Legion and intend to share this proposal with the other fraternal and veteran organizations as our budget and time will allow. We will concentrate on those urban areas where the negative impact on locally owned businesses will be most dramatic. We will be addressing this issue with newspapers which express an interest in alternative proposals in hopes of generating enough information to encourage the Legislature to consider alternatives outside of the one proposal so urgently and forcefully promoted by the three racetracks.

CHRIS STEINEGER

SENATOR, SIXTH DISTRICT

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TOPEKA

SENATE CHAMBER

COMMITTEE ASSIGNMENT

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PUBLIC HEALTH AND WELFARE
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TAXATION
COMMERCE
ELECTIONS AND LOCAL
GOVERNMENT
HEALTH CARE REFORM
OVERSIGHT
LEGISLATIVE POST AUDIT
RULES AND REGULATIONS
STATE BOARD OF EMERGENCY
MEDICAL SERVICES
SRS TRANSITION OVERSIGHT

- (1.) My personal views on gaming. I personally don't particularly enjoy gambling as a form of entertainment, but if someone else wants it, that's their decision.
- (2.) Gaming, wagering, and taking chances for prizes, for the chance of winning something of value is more prevalent than we think. In our State we have:
 - Indian Casinos
 - State controlled lottery and parimutuel
 - bus trips to Cripple Creek, Colorado, Deadwood, South Dakota, and plane trips to Los Vegas
 - bingo games by churches and veterans organizations
 - football pools including whether or not KSU goes to and wins a bowl game
 - county fair, softball, baseball, and dart toss to win stuffed animals
 - My niece Kisha spent \$5-\$7 to win a \$.50 Korea teddy bear.
 - Wagering on circle track stock car racing
 - Saturday nite poker games
 - video games, pool and pinball
 - bag of lettuce with scratch off ticket inside

People like the opportunity of winning something of value by taking a chance.

- (3.) Let us compete with the Missourians.
 - On equal footing and untie at least one of our hands.
 - Like Quantrill, the Missourians are ravaging our border towns.
 - I have offered a variety of examples of wagering and chance taking
 - It is beyond doubt, its not a matter of if Kansans will gamble but where and how much or how little the State controls it.
 - Let the people decide. Those communities that want it, can have it.

Sen. Federal & State Affairs Comm.
Date: 3-18-99
Attachment: # 8-1

9

**TEXT OF TESTIMONY
PRESENTED BY MR. PHIL G. RUFFIN, SR.
OWNER, WICHITA GREYHOUND PARK
REGARDING KANSAS SENATE BILL 329
BEFORE THE KANSAS SENATE FEDERAL
AND STATE AFFAIRS COMMITTEE**

March 18, 1999

My name is Phil Ruffin, I am the owner of Wichita Greyhound Park. I have been a resident of Kansas since early childhood. I attended high school in Wichita and college here in Topeka at Washburn University. It was also here in Topeka where my career in business began. I operated a sandwich stand just off Topeka Boulevard. Today, I am involved in a wide variety of domestic and international business interests and investments. The base of my operations continues to be in Wichita.

In late 1997, I purchased Wichita Greyhound Park. I had visited the track in the capacity of a patron and felt strongly that potential existed. With the application of sound business principles, innovative ideas and substantial capital investment to upgrade the facility and services, Wichita Greyhound Park can make a claim that is virtually unheard of in modern day race track operations. Our 1998 handle, which is the amount of money that is wagered at the track, increased 22%, from \$43 million to \$51 million.

The result was a dramatic increase to purses for our greyhound kennel operators, owners and breeders in the state. Charitable contributions increased considerably as did parimutuel taxes paid to the state.

Despite the progress and success for all the related entities

that benefit from racing, the economic models currently in place in this state, do not allow the track owner to generate a positive revenue flow. With the increases in 1998, Wichita Greyhound Park still lost significant money.

Voters overwhelmingly endorsed the creation of racing in Kansas in 1986. Kansas had served as the state of origin for the greyhound racing industry and its national headquarters and Hall of Fame is located here. Allowing racing and tremendous benefits to the state's economy were natural steps. The industry raced to a promising start in 1989 and Kansas racing was swiftly established as the nation's best. By the mid 1990's the landscape and competitive balance changed as full scale casinos emerged. These casinos, located here in Kansas and in neighboring states, have quickly transformed the once new, dynamic, vibrant and promising racing business in the state to a struggling, decimated shell of an industry.

The racetracks in our state need to be allowed to do what any business must do when faced with serious competition. To survive, we must be allowed to improve, update and modernize our product in order to offer the same popular attractions as our competitors. The playing field is further unlevelled through the inequity of the tremendous untaxed, unregulated revenue stream being created for our

competitor's coffers. With that, these businesses are able to invest millions in marketing and promotion which we in no way can match. This makes our position all the more precarious.

Five other states, Delaware, Rhode Island, Iowa, West Virginia and Louisiana have taken the progressive step of allowing their existing, productive racing industry to compete through the addition of gaming. In every case, the racing industry has become totally rejuvenated and the state has benefited with a financial windfall. There is no need to forecast and speculate on what could possibly occur in Kansas. Examples around the country demonstrate that the adjustment of allowing racing to compete, has been an overwhelming success.

There is not one single compelling argument that has any validity against the approval of Senate Bill 329. It is not a gaming expansion proposal. It would simply allow existing racing locations the ability to enhance their product and compete. Wagering venues would not be increased.

The concern of increased social ills is erased due to the readily accessible gaming opportunities already found in the state. Any individual inclined to destructive personal behavior, already has a wide variety of options present and readily available right here in Kansas as we speak.

I ask you today to take just a moment and look beyond the obstruction of this being a "gambling" issue. First and foremost, it is a simple business question. " Do we allow the state's existing gaming franchises, lottery and racing, that were approved overwhelmingly by the citizens of Kansas, to update their products in order to compete with entities within our borders and on our computer screens from which we are receiving no benefits? We are not asking to be bailed out or subsidized. We are asking for your approval in letting the people decide whether or not Kansas's racing industry will be permitted to participate in the American system of free enterprise. We are asking if the millions in revenues the racing industry has generated, the thousands of Kansans reliant on racing as their livelihood, and the historic and traditional origins of this industry in our state, warrants consideration for its very continuance and existence? Briefly set aside preconceived notions of gambling perceptions and examine this with common sense and logic, and there is only one conclusion you can reach if you are responsibly representing your constituents. Let this important industry in our state return to the levels of its maximum productivity. We must take the necessary steps to allow racing to update and compete, Please support bill 329 and you'll be backing a winner for Kansas.

REPORT TO THE SENATE FEDERAL AND STATE AFFAIRS COMMITTEE

By the National Greyhound Association

Gary Guccione, Exec. Dir.

Mar. 18-19, 1999

By way of introduction, I am the secretary-treasurer and executive director of the National Greyhound Association. The NGA is the oldest Greyhound racing organization still in existence in North America, having been created in 1906. Since 1945, our office has been headquartered in Abilene, Ks.

The NGA is the official registry for all racing Greyhounds on the North American continent. Its membership is the 3,500 Greyhound owners and breeders located primarily in the United States. NGA was closely involved with the legalization of racing in Kansas more than a decade ago, and we were privileged to serve on the Kansas Racing Commission's original Advisory Committee.

We are here today to address Senate Bill 329. For some time now, we have been negotiating with the Kansas racetracks over an equitable and fair division of proceeds that would help resuscitate the Greyhound industry in our state. Much progress has been made, and although there remains an unresolved issue with one track in those negotiations, I'm pleased to report that, at least with respect to the major provisions of the bill, and in principle, we are in agreement. The Greyhound breeders and owners of Kansas and elsewhere in the United States are in favor of the general intent of what Senate Bill 329 would do---that is, to level the gaming playing field by introducing electronic machines into the existing racing facilities in Kansas.

Kansas has traditionally been a major player in the sport of Greyhound racing. Since the 1920s up through the present it has regularly been the site of National race meets. Some of the greatest Greyhounds in the sport's history have been bred and raised on the plains of Kansas, and today are enshrined in the Greyhound Hall Of Fame, which like the NGA, is located in Abilene. Our industry today, which relies heavily on the in-state track operations, represents a farm investment of more than \$75 million. More than \$18 million a year is pumped into the Kansas economy in caring for the thousands of Greyhounds that are raised and domiciled in our state. Some 350 full-fledged farm operations dot the map in Kansas, with hundreds of other part-time breeders factoring into the game. Still many others operate or are employed at the kennel operations at the licensed racetracks. (And, we have yet to mention the many other Kansas citizens who are directly employed by the racetracks themselves.) The livelihood of many thousands of Kansans who work in the racing industry would be seriously affected, in many cases directly jeopardized, should the Kansas tracks close.

There is urgent need for what SB 329 offers. Decimated by the intrusion of riverboat gaming, Indian gaming and other forms of competition that weren't on our landscape when the original racing legislation passed, the Greyhound tracks in Kansas, and thus the Greyhound industry itself, are in deep trouble. It's important to know, however, that it's an industry that can still be saved--and is one well worth saving.

Sen. Federal & State Affairs Comm.

Date: 3-18-99

Attachment: # 10-1

We spoke earlier of our negotiations with the racetracks. The key issues with NGA lie in two primary areas: first, that a fair portion of machine gaming proceeds earmarked to supplement purses (it is, after all, the animal racing license--that would give the track the exclusive privilege to apply for gaming machines); and second, preservation of live Greyhound racing. We have a signed agreement with two of the tracks of the three tracks, and, by an outsider's perspective, we are not far apart from agreement on one key issue with the last license holder. This is no different than the tug-of-wars of a decade ago, when tracks and breeders argued back and forth on such matters as dates, purses, etc. Back then, the legislature heard all sides, determined what was equitable, then spelled out the correct formula in legislation. There is no reason to believe this cannot be resolved in exactly the same manner this time around.

My primary point today, however, is to stress to you the need for gaming machines in our racetracks, as proposed in SB 329, if our industry is to have any hope of surviving in our state.

Thank you.

To: Members of the Senate Committee on Federal and State Affairs

From: Lester Lawson, president of Kansas Clubs and Associates

Madame Chairperson and committee members, thank you for allowing me to present our reasons for opposing Senate Bill 329.

Though Kansas Clubs and Associates does not oppose legalized gambling, we do find fault with this bill. We realize the goal of the bill is to save the race track, but this bill would reward the track owners excessively at the expense of small businesses. Before any bill is enacted which almost exclusively rewards the track, a study should be made of the economic impact that gaming machines at the racetracks have upon other businesses. We would hope to avoid the "Walmart Syndrome" where one big business pushes out many small ones.

The racetrack owners would like you to believe they are the only ones hurting; however, since, the Missouri casinos have opened across the river, Kansas City, Kansas has lost two Shoneys, an International House of Pancakes, Furr's Cafeteria, Rickey's Pit Barbecue, two Hardee's, a Wendy's, Fasone's, Times Past, and perhaps others.

Let's examine how the money will be divided in SB 329.

- 45 percent to the gaming machine operator

- 25 percent to the operator

- 14 percent to the operator

This adds up to 84 percent after the machine payouts. It appears that all three above amounts will go to same place since the moneys in these accounts are transferable from one account to another. I realize that the operator must pay for the machines, but 84 percent is extremely high compared to the 5 percent the Kansas lottery now pays to the retailer.

The remaining 16 percent is to be transferred to the state and is to be divided in the following ways:

- 1 percent to the county where the track is located

- 1 percent to the "holder of the organization license"

- 1 percent to "service organizations and non-profit bingo licensees" (*any service organization? Is this 1 percent for bingo licensees an attempt to make up for a projected loss? In our opinion licensed bingo certainly will suffer.*)

- \$40 "per point" allotted to greyhound racing winners for use in "supplemental payments to winners"

Sen. Federal & State Affairs Comm.

Date: 3-18-99

Attachment: # 11-1

1.5 million to be used “to supplement purses” of “live horse racing” (which seems little for the industry we are trying to save).

Reimbursement for Lottery Commission expenses. (What if there are no remaining funds to pay these expenses? Also, what major expenses must the Lottery Commission cover? Who will finance the two million dollar master computer?)

And . . . the remainder to the “Kansas Education Technology Enhancement Fund”

If you compare this proposal with the present arrangement in which lottery retailers receive a 5% commission, you can see how this proposal comes across as a sweetheart deal for the tracks.

We also believe that if SB 329 is enacted, Kansas can expect to see a decrease in revenue in state-wide Keno games because the proposed 80 percent minimum payback vastly exceeds the 54 percent keno pays out in other businesses. It will not take long for players to realize where the better results come from and to spend their gaming dollars at the track rather than on keno, which will also hurt the current lottery retailers.

When the racetracks can expect an 84 percent cut, they can afford to reduce prices on food and drink in order to lure customers to the track. These cheaper prices will make it even more difficult for restaurants and bars to retain their customers.

In short, why can't we pass legislation that will be fair to all, not legislation designed to benefit a few who can afford to spend the most on lobbying? The bill we favor, SB 330, is much fairer to Kansas and all retailers. This bill would permit gaming machines in private clubs, race tracks, and drinking establishments, but, as amended, not in CMB licensed locations. The bill would limit the number of machines to five machines, with one additional machine allowed per thousand square feet. The machines would have to be housed where minors under eighteen would not be admitted. The machines could only be in use during permitted business hours, that is, no sooner than 9 a.m. and no later than 2 a. m.

SB 330 gives the state a higher percentage of revenue, designating 40 percent to the state and 60 percent to the retailer.

We hope you will give careful consideration to these two bills. Ask which is the fairer and which is the most beneficial for everyone.

Thank you for listening.

TESTIMONY IN OPPOSITION TO
SENATE BILLS 329 AND 330
SENATE FEDERAL AND STATE AFFAIRS
CHARLES M. YUNKER, DEPARTMENT ADJUTANT
KANSAS AMERICAN LEGION

*Corrected
copy - 3-18-99
- Charles M. Yunker*

Thank you for allowing me this opportunity to present testimony in opposition to Senate Bills 329 and 330. My name is Charles M. Yunker and I serve as Adjutant for the Kansas American Legion.

American Legion opposition to Senate Bill 329 is simple: It only provides for video gaming at horse and dog tracks which is unfair to those non profit religious, educational, fraternal and veterans organizations who rely on Bingo revenues to support their local community programs. Please remember when the horse and dog track promoters testified before the legislature they said theirs was an industry that would produce hundreds if not thousands of jobs and boasted of similar impacts on local economics. It didn't happen, at least not on the scale purported in their testimony. These same special interests returned with the same claims when seeking simulcasting as the savior of their industry while others continued to build another track knowing full well it was doomed for financial failure. These same groups have returned almost every year saying they will have to shut down if they do not get slot machines yet they are still around and others have recently purchased the Kansas City track. When horse and dog tracks first appeared in Kansas local Bingo games were devastated. It took several years to begin a rebounding process and thanks to Instant Bingo many non profit Bingo games have survived but more have failed due to competition from the casinos and river boats. Passage of Senate Bill 329 will ensure the end of Bingo in even

Sen. Federal & State Affairs Comm.
Date: 3-18-99
Attachment: # 12-1

more communities where profits are used locally to benefit local programs, or in some locations Bingo is conducted solely as a community service for the entertainment of elderly citizens.

American Legion opposition to Senate Bill 330 is not so much in opposition as requesting several amendments if in fact Kansas is going to permit video gaming. Overall it is felt SB 330 offers too little profit vs expenses and far too many locations available to video gaming.

Given the \$150.00 per machine fee described on page 1, lines 29 and 30 especially when combined in consideration with provisions on page 4, lines 18 and 19 and page 5, lines 11 through 30, it seems retailers' margin for profit is very small. That is; after paying the 85-95% payment, combined with electrical, telephone service, floor space and labor expenses, and 40% to the Kansas Lottery it would appear little would be left to the retailer. Also Federal tax and licensing liability is the responsibility of the retailer since slot and/or video gaming by non profit organizations is viewed as "unrelated business income" by the Federal government. Thus any non profit Bingo operator is subject to Federal taxes and perhaps licensing.

SB 330 also would allow far too many machines in general and too many in specific locations. That is; do we in Kansas want to send the message to tourists "Come to the Sunflower State and gamble at our historic tourist attractions"? Do we want video gaming at every drinking establishment, especially those licensed to serve cereal malt beverages (3.2% beer)?

Page 3, lines 27 through 29, allows for 5 machines per facility plus one additional machine for every 1000 square feet of the overall operating premises. The key words are overall operating premises; does this include the square footage of parking lots? Does it include actual race tracks, kennels, stables, etc. and other areas not generally accessible to the general public or does it mean the area where patrons are served and seated? We believe the language should be clarified.

Lines 30 and 31, on page 3, state machines "shall be placed in an area of the facility where admission to minors would be restricted". Perhaps the words "would be restricted" should be changed to "shall be prohibited".

One item that is confusing are lines 20 through 22 on page 19 which prohibits lottery retailers from holding themselves out to the public as gambling establishments. That provision seems to contradict the reality of many locations SB 330 provides for placement of video machines such as horse and dog tracks and Bingo parlors. Thus if SB 330 is approved by the legislature that provision could cause confusion.

In closing I want to thank the Committee for permitting me this opportunity to express the aforementioned concerns regarding Senate Bills 329 and 330. If Kansas begins allowing video gaming it should do so in a reasonable fashion which strictly limits access to machines and allow retailers reasonable expectations for profits which are used locally.

13
Date: March 18, 1999

To: Senate Federal and State Affairs Committee

Re: Needed changes to SB 329

From: Jeff Rutland, representing the **Kansas Quarter Horse Racing Association**
Rutland Quarter Horse and Thoroughbred Ranch
Route 1, Box 41
Independence, KS 67301
(316)331-2485

Dear Chairman Oleen and Committee Members:

We, specifically the horse racing industry of the state, come before you today in a very precarious situation. While we have worked with the Legislature in years past to allow the parimutuel industry some much needed relief through slot machines at race tracks, today we stand opposed to Senate Bill 329.

The horse and greyhound racing and breeding industry in Kansas ranks in the top 15 in the nation as a leader of producing top quality racing animals. We pump well over \$200 million into our state's economy annually. We are an important industry in Kansas, a big business and an ever changing business (as most are in today's economic battle). We, the horse and greyhound people united with the previous race track operators, felt that properly written legislation allowing added gaming at race tracks could benefit the entire state. However, the language which is currently in this bill leaves many unanswered questions and with the threats which have been made to do away with horse racing entirely at The Woodlands, we feel that proper protection written into law for live horse racing is a must. In order for it to help the parimutuel industry, which has been the intent of any legislation of this kind over the past few years, there are several things which must be fixed. If this committee or the supporters of this bill wish to correct these problems, we would be more than willing to work in a cooperative effort to help this agriculturally related business. What we can not do is stand to the side and allow our parimutuel industry to be used as a shell for a casino while ignoring the importance that horse racing has on this state. Even with the proposed race track amendments that you will be presented today this bill is seriously flawed.

I have outlined in Attachment A a few concerns which the horse industry has at this time. Each and every one of these points have been included in previous legislation which has been presented to this legislature. They are not new or unrealistic demands. They simply give all parties involved the protection which is deserved.

To this date, the horse people (both QH and TB) collectively have been able to meet with only one of the race track owners on only one occasion. Many attempts to offer input have been ignored. This bill offers a very one sided partnership which we are being asked to enter into. No cooperative effort has ever been made to structure this proposed legislation which would benefit everyone in a fair and equitable way.

Sen. Federal & State Affairs Comr
Date: 3-18-99
Attachment: # 13-1

The real question presented this Committee today is this: what really is the purpose of this Senate Bill 329? The way we see it, this bill even with the proposed race track amendments is sadly designed to bring casino gambling to Kansas on the backs of the parimutuel racing industry. With out the fair and reasonable changes we propose, this bill if passed into law will surely sound the final bell for the Kansas Quarter Horse and Thoroughbred Racing Industry. We have a long and proud heritage here in Kansas. We ask your understanding not to let this bill end it for us.

For these reasons we stand in opposition of SB 329 in it's present form.

Respectfully,

Jeff Rutland



PRAIRIE BAND POTAWATOMI NATION

The Honorable Lana Oleen, Chairperson
Senate Committee on Federal and State Affairs
State House, Room 313 S
Topeka, Kansas 66612

Dear Senator Oleen and members of the Committee,

Thank you for allowing me this opportunity to address you today. The Prairie Band Potawatomi Nation appreciates the due diligence that you and the House Committee has given to the study of Indian gaming in Northeast Kansas.

We are here today as neither proponents nor opponents of these bills. We are here today to address some of the misinformation that we have been hearing and reading. Namely, that the State doesn't get anything from the casinos. That is not accurate.

Last year, our Casino and its employees paid 6.8 million dollars in State and Federal taxes. Our Tribal employee base has tripled, which has added another \$491,982 to the State and Federal tax base. There has also been money from the various construction projects and ancillary businesses that supply goods and services to our enterprises.

The following excerpts are from the 1998 Annual Report of the:

Jackson County Joint Economic Development Council.

Jackson County Development Corporation.

Jackson County Tourism Council

The mission of the Jackson County Joint Economic Development Council (JCJEDC) is: to create and advance a shared vision of total community development and enrichment.

The Jackson county assessed valuation grew to \$55,200,000 in 1998, an increase of \$2.9 million over 1997. Mortgages filed in Jackson county reached a record of \$41,291,466 during calendar year 1998, an increase of over 28 percent and \$9,000,000 over 1997 and a whopping 229 percent increase over 1991. A total of 806 mortgages were filed. This is significant for Jackson County because as money is loaned by banks, new wealth is created. With the rapid increase in the number of mortgages issued, the wealth of Jackson County citizens is increasing, further supporting economic development. Additionally, when new homes are built, the new residents often need to buy home furnishings, landscaping, and other items for their new home, further increasing economic activity. Between mid-1992 and mid-1997, Jackson county population grew by 5.0 percent, greatly outpacing the state average of 3.1 percent.

Seven new start-up enterprises opened including Fresh Start Learning Center, Prairie Schooner RV Park, Candlelight Ridge Bed and Breakfast, Hoyt Car Wash, Jody's A Little of This and That Boutique, the Holton Senior Plaza Apartments, and the Edward D. Jones office.

1998 Jackson County Economic Development Highlights

- | | |
|---------|---|
| January | Harrah's Prairie Band Casino opens on the Prairie Band Potawatomi Reservation, employing 700. |
| May | Soldier sees the construction of the first new home in over 10 years. A |

number of residents are also improving their homes.

Netawaka continues to experience a revival with the construction and improvement of several homes in town.

June Circleville sees construction of its second home in 1998, the fastest pace of residential building in over 15 years.

The 36-bed addition to the Jackson County Jail opens in Holton. The facility is designed to pay for itself through agreements to lease beds to out-of-county jails.

October Construction begins on the Hoyt Car Wash along K-24 highway, a sign of increasing commercial interest in Hoyt and southern Jackson County.

Jackson County and the Prairie Band Potawatomi Tribe agree to transfer responsibility for maintaining over 40 miles of roads on the reservation from the county to the Tribe.

The reconstructed 158th Road from U.S. 75 highway west seven miles to K road and then south to near 150th Road is opened to the public.

The road was rebuilt and improved with an asphalt surface, providing a better road for residents of the reservation and decreasing the distance Delia residents must travel on gravel roads to reach the county seat.

Members of the Committee. There were 4 Contracts made with 4 separate and distinct Tribal Governments. The Potawatomi Nation has done its best to honor those agreements. We agreed to bear our share of the law enforcement and road improvement costs. We have done this in the following ways:

Law Enforcement

The Prairie Band Potawatomi has built a Police Station.

The Tribe has four full-time-employed Tribal Police Officers.

The Tribe has donated a patrol car to the Jackson County Sheriffs Department.

The officers are trained at Kansas Law Enforcement Academy.

The Tribe is currently working on a Cross-deputization agreement.

Jackson County Sheriff's office had five officers (pre casino), now they have 11.

Road Maintenance

As you have seen in the Jackson County report, we have taken over responsibility for over 40 miles of road maintenance from Jackson County. This enables Jackson County to use their tax dollars elsewhere. We have over 10 miles of paved roads on our reservation for the first time.

PBP Fire Department

Our fire department now has 10 firefighters.

60% of them have received Firefighter I & II training and National Certification.

The department has three people EMT-trained, with two more school now.

The fire department has two new brush trucks for grass fires, as well as a fire truck capable of spraying 1,250 gallons per minute.

The department has a rescue truck with the jaws-of-life.

The department has an oxygen fill station and generator.

The department has high angle rescue equipment, with rope rescue training, 6-1 & 1-2.

The firefighters are also being trained for wildland fires so they can help with national emergencies.

Thank you for allowing me this time. I'll stand for questions.

Laura Abeyta

- The existence of live horse racing must be protected to insure that the threats of its termination never are allowed to happen. In the bill, there must be language which requires that at The Woodlands, the only dual facility licensed to race both horses and greyhounds, in order to operate any additional gaming that a minimum of 55 days of live horse racing the first year machines are installed and 65 days each year thereafter be required, but in no instance should the 20% requirement for live horse racing required in 74-8813 be ignored. In addition, a day of live horse racing should consist of not less than 3 quarter horse races and 7 thoroughbred races. Opportunities to start our animals are as important as the ability to race for good money.
- Allowing any parimutuel licensee other than the non-profit organization licensee to operate these games would take away added protection for the entire state. By designating 1% to go to these non-profit groups at each of the race tracks, we are assured of continued funding to bonafide Kansas charities. In addition, any contracts negotiated for the operation of gaming should need the approval of both the Kansas Lottery Commission and the Kansas Racing Commission. This gives added input and insurance for each of the different parts of the racing industry.
- Each licensee operating these games shall designate not less than 5% of net machine income into a thoroughbred gaming account and not less than 3% of net machine income into a quarter horse gaming account to be used for purse and breed enhancements and their distribution.
- In order to enhance live horse racing, it was agreed upon with previous track owners and written into offered legislation that .5% of net machine income be designated toward capital improvements for accommodating live horse racing and another .5% be used for promotion of live horse racing. The placement of machines should be limited to facilities which center around racing, not on real estate adjacent to. These things give added assurance that the original basis of parimutuel in Kansas is not cast off and allowed to disintegrate and be overshadowed by any form of additional gaming.
- Any unclaimed prizes should be designated for breed enhancements, as would be consistent with the existing parimutuel law.
- Exceptions of certain requirements for operation of games at fair association tracks should be included, as has been in any previous slot legislation. The fair tracks are the grass roots of the racing industry in the state and should not be excluded.

ATTACHMENT A

15

Thomas and Rita Ahart
926 North 98 Street
Kansas City, KS 66111
18 March 1999

The economic status of Wyandotte County is in serious decline and in desperate need of some type of rejuvenation. The new Kansas International Speedway being built in Western Wyandotte County shows some hope of revitalizing the area. It will however, need other facilities nearby to help keep the money in Kansas. Crowds of 75,000 are estimated for the races. Preliminary surveys done at the Daytona Speedway, before our track was started, showed a diversity of interests amongst the people coming into the area. Some might want to shop, some would like a bus tour of the city, or an afternoon at one of our beautiful golf courses. Others might like to gamble. We believe all of these interests to be reasonable, and they will offer our visitors a chance to see, stay and to spend money in Kansas. Missouri has already invited us to visit, spend as much as we like, however we like. And we are doing it. This is reality, and this is our right. We urge all of you to give your most serious consideration to passage of Senate Bill #329. It is the hope of our group of citizens here today that we might look forward to new signs of economic life in our community. As Kansans we would like a choice as to how and where we spend our time and money. We feel that all of Kansas will benefit in some way if we can keep more of our discretionary dollars at home. In particular it could give a much needed economic boost to Wyandotte County. Thank you for allowing us to make our presentation in our beautiful capitol building of which we are all so proud.

A petition supporting this statement with 35 signatures accompanies this letter.

Sen. Federal & State Affairs Com
Date: 3-18-99
Attachment: # 15-1


Thomas and Rita Ahart

20

16

I support Kansas Senate Bill No. 329 which would allow slot machines and video games at the Woodlands Race Track at 9700 Leavenworth Road, Kansas City, Kansas.

- Mrs. Irene Miller 7040 Leavenworth Rd; KC Ks 66109
- Sandra Stephen - 16854 - 158th St. Bonner Springs, Ks. 66012
- William D Bredel 3144 S 54 Kansas City Ks 66106
- Betty M. Dudge 3144 S. 54 Kansas City, Ks 66106
- Aileen Johnson 6337 Farrow KCKs 66104
- Leo Schlick 30 S 80th, KCKS 66161
- Clarence H. Johnson 6337 Farrow KCK-66104
- Frank Wells 6833 Verde KCKs - 66109
- Melred L. Gatterburen 7942 Berger, KCKs 66111
- Debbie Baker 1051 So. 74th St. KCKs 66111
- Nancy L Johnson 37 So 11th KCK 66102
- Doyle Parrish 7510 Egan KCK 66111
- Frank Ross 290 S 14th KCK 66102
- Darryl Parish 3927 Harton KCK 66204
- Rydzon 13,059th KCK 66106
- Donald Coeh 7930 KANSAS AVE KCK 66111
- Bob Burnett 7528 WYON AVE KCK 66111
- Carl Jorgensen 6825 Parallel KCK 66102
- Deleu Jorgensen 6825 Parallel KCK 66102
- Lillian Sims 4631 Dunford KCK 66102
- Irene E. Kupska 3822 Victory Dr. K.C. Ks. 66102
- Kathryn Scherer 15012 W 150th St. Olathe Ks 66062
- Florence McClure 2843 N 79th Dr. K.C.K. 66102
- JR McClure 2843 N 79th KCK 66109
- Wilma Crocker 7107 Greeley KCK 66107
- John Crocker 7107 Greeley KCK 66107

Sen. Federal & State Affairs Comm.
Date: 3-18-99
Attachment: # 16-1

26

I support Kansas Senate Bill No. 329 which would allow slot machines and video games at the Woodlands Race Track at 9700 Leavenworth Road, Kansas City, Kansas.

Wm. F. Gates

2239 N 75th KCK 66109

Catherine F. Gates

2239 N. 75th KCK 66109

Wallace Bluet

7856 Walker KSK 66112

Dust Bute

2239 N 75th KCKS 66109

Judge L. Sample

2867 N. 83rd Terr. KCKs. 66109

Debra Clark

3160 N. 67th Terr. KCK 66109

Cynthia L. Cop

8250 Wood KCK 66112

Anne Johnson

16093 S Mahaffa

Tracy Parker

7716 Ylecker KCKs 66109

Camel B. Moeke

7908 Oakland KCK 66112

Susan M. Robare

13512 Heritage Dr. Bonner Springs
KS 66012

Barbara Henderson

6824 Garfield Dr. KCK 66102

Vernon Pank

2504 N. 85th, KCKs 66109

Paul F. Kosken

2632 N 83 Ln.; KCKs 66109

Harold Kane

3121 N 84 Terr. KCKs. 66109

James A. Chrysl

1924 N. 83rd Terr KCKs 66112

Barbara Jaskot

7906 Duville KCK 66112

Rosemary Yorkum

1727 N 78 ST KCKS 66112

I support Kansas Senate Bill No. 329 which would allow slot machines and video games at the Woodlands Race Track at 9700 Leavenworth Road, Kansas City, Kansas.

Deldie Wright - 7729. Carona - 66112
 Elizabeth Johnson 2604 7175 St - 66106
 Ken S. Paris 507 Haskell - 66106
 Harold Showalter 420 582 66111
 Norma Showalter 420 582nd 66111
 Betty Morrison 414 5 82nd 66111
 Jack W Harding 4 50 76th 66111
 Helen A Rodina 2837 No 47th Pl. KCK 66104
 Leah Morsin 4332 Reggie Ln KCK 66102
 Mary Pluta 2823 No. 67th St. 66104
 Mary Butko 4740 Wood Ks 66102
 Mike Butko 4740 Wood Ks 66102
 Frances Skamet 48 So. Pyle K.C. Ks 66101
 Margarete Walinow 338 NORTH 8th K.C., KS. 66101
 William L Walinow 338 NORTH 8th K.C., KS. 66101
 Jope Zukius 5527 McCormick Shawnee Ks 66226
 Albert S. Stettin 7942 Berger St. E. J.S 66111
 Thuse Johnson 1729 North 78th K. C Ks 66112

I support Kansas Senate Bill No. 329 which would allow slot machines and video games at the Woodlands Race Track at 9700 Leavenworth Road, Kansas City, Kansas.

Hugh A Knapp
82 1/2 Starfield KCR
Angeline Glover
8318 State Ave
Harold Glover
8318 State Ave. K.C.K.

Jean Meikel
2507 N. 73rd Linn 66109

Jim Frankovich
2520 N 85th
KCR 66109

Leslie Anderson
1171.72 KCR 66111

Leo Maselli
8320 Maselli KCR 66109

Lawrence E. Meikel
2507 N- 73rd TORR KCR 66109
Mildred Urkevich KCR 661046223 Cleveland
John Urkevich KCR
6723 Cleveland

Beverly Park
5780 Meadow Hts

Fay Grover
18459 153rd
Bassett, KS

Don Grover
18459 153rd St.

Bassett, Mo 66007

Lester Anderson 16515 W 8th - Lenexa, KS 66219

Virginia Higgins 834 N 98th KCR 66111

I support Kansas Senate Bill No. 329 which would allow slot machines and video games at the Woodlands Race Track at 9700 Leavenworth Road, Kansas City, Kansas.

Debra Mott 840 574th Ten KCK
Debra Mott 840 574th Ten KCK
Roberta M Coffelt 728 594th KCK
Debra S. Horner 3026 N. 71 KCK
Charles J. Simpson 2739 N 71st KCK
Karen E. Simpson 437 N 82nd Ten KCK
Jim Simpson 4833 173rd KCK
Erica Simpson 4033 123rd KCK
Gary Horner 3026 No 71 KCK
Francis Stacy 433 N 82nd Ten KCK
Lewis Stacy 433 N 82nd Ten KCK
MMPA Leonard N30 N 82nd Ten KCK
Charlotte Kasoner 480 N 82nd Ten KCK
Don Simpson 433 N 82nd Ten KCK

take back WEN pr.

PETITION

I support Kansas Senate Bill No. 329, which would allow slot machines and video games at the Woodlands Race Track at 9700 Leavenworth Rd. Kansas City, Kansas

Brenda Johnson 2753 W. 110th Ten. K.C., KS 66109

Jean Logan 372 W. 81st Ten KC KS 66112

Glenn DuBois 372 N 87th TERRA KOR 66112

Key Lau Shery 17374 178th Tonganoxie KS 66096

Angie Glenn 805 N. 78th KC KS 66112

Marty McCarty 8911 Stateline KC KS 66112

Blank lined area for additional signatures and addresses.

I support Kansas Senate Bill No. 329 which would allow slot machines and video games at the Woodlands Race Track at 9700 Leavenworth Road, Kansas City, Kansas.

Beth A Bellnap
Thomas G. Eap
Dane Keyes

~~Matt Berta~~
Rm Medley
Dwight M. Gilly

~~Fred W. W. W.~~
Viola Curcio
Patrick Bury

~~Travis Thompson~~
Helen Waitley
Barbara K. Gungy
Karl C.

~~F. H.~~
Benjamin C. Skelton
Paul Smith
Melanie Yeal
Sharon D. Gid

Earl A. Richards
Lose J. Abbott
Megann Daily

Melvin L. Bellif
Shirley Morrow

Cecilia Bishop
Gilbert Sutton
Carol Wald
Jessie Boyd

~~John G. G.~~
Dolores Cortlett
Sig. Stank
Alan D. Deves

Dyf Humbel
Dann Bradley

Mary C. Brackley
Cheryl Zucchetto
Lisa Ruffett

Travis Ingram
Bill Street
B. Peterson

PETITION

I support Kansas Senate Bill No. 329 which would allow slot machines and video games at the Woodlands Race Track at 9700 Leavenworth Road, Kansas City, Kansas.

James J. Wilson 9212 W 75 Terr OP KS 66204
Carl Latta 9301 Everett # R R 66112

PETITION

I support Kansas Senate Bill No. 329 which would allow slot machines and video games at the Woodlands Race Track at 9700 Leavenworth Road, Kansas City, Kansas.

Siana Miller

3624 N. 123rd St.
KCK 66109

Jessie Muehlman
14710 - 158th

Overland Springs, KS 66012

Ellie Curtis

83 So 20

KCK 66102

Dawn Duchler

83 So 20

KCK. 66102

Donna S. Harris

3545 N. 80th St.
Kansas City KS 66109

PETITION

I support Kansas Senate Bill No. 329, which would allow slot machines and video games at the Woodlands Race Track at 9700 Leavenworth Rd. Kansas City, Kansas

Kate Swartwood 11300 Liverview Rd. Edwardsville, KS 66111
Ronda Verwaecke 15452 Wellington Pl. Dr. Basehor, KS 66007
Edward Throul 1904 N 90th ST Kansas city KS 66112
Kit Coggburn 15551 Elm Basehor, KS 66007
Barbara Galt 13840 - 170th Bonnet Spgs. KS 66012
Kathy Gibson 15165 Sweet Briar Dr Basehor, KS 66007
Sandra Anderson 6901 Rowland KCS 66109
Kandi Clark 131 Garfield Bonner Spg. KS 66012
Cheri Braming 8523 Parallel Pkwy KCS 66112
Dr. Ron Pawini 8915 STATE AVE KCS 66112

PETITION

I support Kansas Senate Bill No. 329 which would allow slot machines and video games at the Woodlands Race Track at 9700 Leavenworth Road, Kansas City, Kansas.

Linda C. Henderson	611 So Boeke	K.C. Ks 66105
Colleen L. Mann	10729 Georgia	K. C. Ks. 66109
James Neal	5418 Woodland	K.C. Ks. 66106
Howard W. Alfrey	6225 MINNESOTA	KC, KS 66102
Edward D. Alder	837 NORTH 80 th TERR.	K.C. Ks. 66112
Susan P. Werver	1208 N. 64 th St.	KC KS 66102
Amy Jensen	3826 N. 113 th Str.	KC KS 66109

PETITION

I support Kansas Senate Bill No. 329 which would allow slot machines and video games at the Woodlands Race Track at 9700 Leavenworth Road, Kansas City, Kansas.

Asis Mahone 1060 Kimball K.C. Mo. 66104
Darl Henry 20 So. 8th KCKs, 66101

Tina White 1039 Ford KCK 66101
Paul Basch 306 N. 21st K.C.K. 66102

Mike Ann 126 S. Trenton KCK 66101
Steve Wangkaka 221 S. 8th K.C.K. 66101

Frank J. Smith 822 Central KCK 66101

~~Walter White 4138 1/2 S. 15th KCK 66103~~
Henry Richardson

Walter Kirke 15 N 10th KCK 66102
Israel Casares 1213 LOWELL KCK 66102

Carrie Duffett 2337 N 73rd Pl KCK 66109
Tammy Hays 3232 Townsend Ct KCK 66109

Essie Singleton 913 ARMSTRONG K.C.K. 66102
David McKay 1315 15th Kc Ks 66102

Chris Blankenship 1015 Ann KCK 66102
Melissa Strauss 2722 N 53rd Terr. Kansas City, KS, 66104

Hammie Brooks 2836 N. 47th KCK 66104
Andre Wheeler 11 11 11 11 11 11

Joyce Chapman 332 Coy KANSAS CITY, KS 66101
21 Sharon Crigas 11 11 11 11 11 11/16-12

PETITION

I support Kansas Senate Bill No. 329 which would allow slot machines and video games at the Woodlands Race Track at 9700 Leavenworth Road, Kansas City, Kansas.

Charles William 215 Nebraska KCK 66102

Shari Schiller 7505 Flint Apt L Shawnee KS. 66214

Rita A. Espino 2400 Park DR, KCK 66102

Penny Saunders 749 Tauromee KCK 66102

~~Shari~~ Jackie Stacy 749 Tauromee KCK 66102

Mike Saunders 749 Tauromee KCK 66102

Howard M Saunders 75 Terr KCK 66102

Bobby Harris 19 N. Valley KCK 66102

Jesus Salazar 304 N. 10th KCK 66102

Mary Salazar 304 N. 10th KCK 66102

David Salazar 304 N. 10th KCK 66102

Ian Hayes 532 N 75th Terr Kansas City, KS 66112

Daniela Boostenz 3529 Jefferson Kansas City, MO 64111

One Blue 88 Ann ICC KS 66101

Robert A Seal 1409 N 32 KCK

PETITION

I support Kansas Senate Bill No. 329 which would allow slot machines and video games at the Woodlands Race Track at 9700 Leavenworth Road, Kansas City, Kansas.

Katherine Hackathorn 8346 Tawkesme KCK 66112
Siene Grandt 3040 N. 85th ST. KCK 66109
Ellen Wojcisz 9120 Ann Ave KCK 66112
Mike Altenbernd 2824 N. 73rd PL, K.C.K. 66109
Elisa Alt-Gard 2824 N. 73rd R. K.C.K.S 66109
Eileen Dechant 2812 N 79th KCKs 66109
Susan Weddle 10832 Cleveland K.C., KS 66109
Josephine H. Wojcik 8232 Garfield K.C., KS. 66112
Jo Gandert 7910 Cernich KCK 66109

PETITION

I support Kansas Senate Bill No. 329 which would allow slot machines and video games at the Woodlands Race Track at 9700 Leavenworth Road, Kansas City, Kansas.

Catherine Scheryn

8101 Oakland KCK

James Samuels

2400 Park Dr. KCK

Katherine Samhary

727 So. 78st KCK.

Billy Ransier

2327 S 9th KCK

Algd Freeman
Steve Walsh

1709 N 8 KCK

Thomas Fing

2008 W 5th KCK

JD Ann Pierce

212 S. 16th KCKS

Deanna Cook

1132 Armstrong

William R Cook

38 S. pyle
38 S. pyle

Donnetta Hampton

15 No 16th

Louise Nash

932 Church

Chuck Jones

LON Busey

Joe Krzakovich

— 1043 Ford KCK

Harold Cantor

1107 Duille KCK

Jo Ann Wilson
Don "

15 N. 10th. st. apt 8.F

230 South Jerome KCK

Tex Carrillo

Lina Helton

69 South 14th

PETITION

I support Kansas Senate Bill No. 329 which would allow slot machines and video games at the Woodlands Race Track at 9700 Leavenworth Road, Kansas City, Kansas.

[Handwritten signature]

John T. Fuller
Liz Miskinovic 600 N 34 66182

Lester Pittboro 224 N. 14th K.C. KS 66102

Marcia Damic 919 Splitlog K.C. KS 66109

Toni Tutor 919 Splitlog K.C. KS 66101

Daniel Thompson
Salvador Ortiz KCK 66101

E. Jager K.C. KS 66101

Kevin Anthony 727 So. 78th St. K.C. KS. 66111

D. Quinn 2111 Nth 7th K.C. KS.

Max J. Crow KCK

John Foy KCK

Melvin Williams

Willie Estus KCK

Vangor Newman KCK

Frank Maxwell KCK

PETITION

I support Kansas Senate Bill No. 329 which would allow slot machines and video games at the Woodlands Race Track at 9700 Leavenworth Road, Kansas City, Kansas.

William Cizich 9800 Paralle PKWY KCK 66109

YVONNE BARTON 7504 Aspen KCKS 66111

Jim Robb 10400 Maple Dr OPRS 66207

Jerry Scheuna

Diane Dennis 1812 Grandview K.C.K 66102

Ann M. Hallock 101 1/2 N 13 KCK 66102

Kenneth W McCouy 525 Sandusky KCK 66101

~~Harriette L. Mason~~ 1608 Ansa KCK 66102

Stephen & Wilsa 2010 Park KCR 66102

Alto Cavali 1013 ELLA KCK 66102

Robert Hooper 1048 Sandusky KCKS 66102

Jerry E Hardin 942 Sandusky

Adri M. Lyle 714 Pacific KCK 66101

~~Heidi Cummings~~ 431 N. 19th KCK 66102

Ben James 1109 Grandview Blvd KCK 66102

Noe Espino 2400 Park Dr 66101

Algeria Lowe 350 So. 11th #5 66102

PETITION

I support Kansas Senate Bill No. 329 which would allow slot machines and video games at the Woodlands Race Track at 9700 Leavenworth Road, Kansas City, Kansas.

Glendon L. Willis
1728 Waverly KCK 913-281-2856

Ron Adams 21N Valley KCK 66102

M. Hoskins 318 N. 10th K.C.K. 66102

Mel Bates 237N 13th KCK-66102

Fred Bussey 1206 Ohio KCK 66102

Algeria Louie 350 So. 11th St KCK 66102

Tom Hicks 250 Wilson Blvd KCK 66102-5005

Sandra Whisler 4215 Troop KCK 66102

Beneé Grey 1027 Ford Ave KCK 66102

Miguel Martinez 909 Orville K.C. KS-66101

Leona Ayalla 516 Orville KCK 66101

Hrene Ramey 3307 Otis K.C.K. 66102

Katherine Stone 3911 S Mart KCMO 64124

M.A. McKinnell 949 Northrup Ave KCKS 66101

Rennae Procter 965 Terry KCKS 66101

Wendell Hood 519 N 6th Terr KCKS 66109

Danny Spry 514th St

Rodney L. McClain 840 Lyon KCK 66101

19 N D HMA 2A F H M O K E 16-18

PETITION

I support Kansas Senate Bill No. 329 which would allow slot machines and video games at the Woodlands Race Track at 9700 Leavenworth Road, Kansas City, Kansas.

Charu Roland 1036 Central KC KS - 66102

Joni C. Guter 919 Splitlog KC, KS. 66101

Patricia Hamie 919 Splitlog KC, KS 66101

Betty M. Burch 19 S. Baltimore KC, KS. 66102

Pete Revelas 2223 Troup KC KS 66104

Judy Bellinger 2246 Orville KC KS 66102

Lawrence B. Mochlin 308 N 13th KC KS 66102

Norma Gargant 814 Lyons KC KS 66101

Ada Davis 814 Lyons KC KS 66101

R. L. Gulley 15 N 14th KC KS #603 66102

J. Sumner 1215 Central KC KS 66102

11 11

Shirley Coker 1914 Park Dr KC KS 66102

Kaleric Taylor 6 N James KC KS 66118

PETITION

I support Kansas Senate Bill No. 329 which would allow slot machines and video games at the Woodlands Race Track at 9700 Leavenworth Road, Kansas City, Kansas.

Laurie Brough 9326 Everett Ave KCK 66112

Whitney J. Robinson 1857 W. 37th KCK 66102

Leanne H. Hendrix 1137 Barber KCKS 66103

PETITION

I support Kansas Senate Bill No. 329 which would allow slot machines and video games at the Woodlands Race Track at 9700 Leavenworth Road, Kansas City, Kansas.

<u>Name</u>	<u>Address</u>	<u>City, St</u> (KS)
Jancy L. Copeland	8424 Parallel Pkwy	KCK 66112
Paula Steyer	2106 542nd	KCK 66106
Anna Pacheco	1320 N. 36th St	KCK 66108
Louis Parker	22 S. Cherokee	K.C. KS 66103
Lana Miller	1936 N 26	KCK 66104
Wm Miller	1936 N 26	KCK 66104
P. Conroy	6662 Wherry	KCK 66104
Theresa Chaffin	4527 Greeley	KCK 66104
PO Stewart	9731 Leav. Rd.	K.C. KS 66109
Tim Camp	32 59th St	KCK 66101
David Duchers	610 N 28	KCK 66102
Boel Hampton	1811 Wakker	KCK 66104
John Sprague	6642 Tauronee	KCK 66102
Bertina Amthers	3235 N 37th	KCK 66104
William Forks	5331 NOBAND	KCK 66104
James W. Barnes	3833 VICTORY DR.	K.C. KS 66102
William Bushue	744 Tauronee	K.C. KS 66101
Ben L. Lopez	633 BARNETT	KCK 66101

(18)

PETITION

I support Kansas Senate Bill No. 329 which would allow slot machines and video games at the Woodlands Race Track at 9700 Leavenworth Road, Kansas City, Kansas.

NAME	Address	State (Ks.)
Loretta Colombed	331 N 19 th	KCK 66102
Jonnie K. Linn	840 Minn. KCK	KCK 66101
Gary Caypool	2800 TAURUMEE	KCK 66102
Dora Munyon	3030 Powell	K. C. K 66106
Larry Munyon	3030 Powell	K. C. K 66106
Margaret Crews	3916 Nebraska	KCK 66102
Sandra Ryzel	512 Splitlog	KCK 66104
Neale Orlando	419 Thompson	KCK 66104
Paul Buck	301 N. 70 th Terr.	K.C.K. 66112
Wanda Bass	1826 N. 49 th St	Kansas City, KS 66102
Clara Cooper	1829 N. 18 th St	K. C. Ks 66104
Joe Caduck	337 Mill	KCKS 66101
Denise Apitz	1849 N 51 st Terr	KCKS 66102
Maryann Gray	516 N. 54 th	KCKS 66104
Joy Singer	7530 Rainbow	RCKS 66112
Helen Caypool	2800 Taurumee	KCKS 66102
Susan Deomb	611 Ohio	KCK 66101
Everett W Doyle	611 Ohio	KCK 66101
Barbara Bradfield	72 Sheridan St	Leavenworth KS 66048
Connie Duncan	36 N. 80 th Pl.	KCKS 66111
Mary Blythe	13563 W. 49 th	Shawnee, KS 66216
(22) Kendra Ward	7321 Osage	KCKS 66114

PETITION

I support Kansas Senate Bill No. 329 which would allow slot machines and video games at the Woodlands Race Track at 9700 Leavenworth Road, Kansas City, Kansas.

Debi Massey 808 S. 102nd Edwardsville, KS 66111

Alyssa Beeman 2529 A045 KCK 66106

James C. Kuntz 36/S/19 KCKS 66102

~~Delbert Johnson 6711 Cleveland K.C. 66104~~

James Parker 53456 GEORGIA K.C.K. 66104

Mark Reed 1325 Ruby KCK 66103

Arthur G. 5208 Overland KCK 66104

Michael Beach 727 N 81st KCKS 66112

25398 W 66th Fern Stream, KS 66226

Mark Sander 12015 W. 76th LENEXA KS 66216

PETITION

I support Kansas Senate Bill No. 329 which would allow slot machines and video games at the Woodlands Race Track at 9700 Leavenworth Road, Kansas City, Kansas.

Phil Vogin 2321 W. 47TH Ter., Westwood, Ks 66205
 Peggy Vogin 2321 W. 47th Ter., Westwood, Ks 66205
 Mike Alchintz 5106 CLARK DRIVE ROELAND PARK KS 66205
 Murrell Murrell 2321 N 87 KCKS 66109
 Bill Kranek 12037 W 99TH Terrace Lenexa KS 66215
 Paul Schepers 2906 72 Terr Prairie Village Ks 66205
 John Spenser 44 N. 50th pl. KCKS 66111
 Jack Morrow 7339 Reynolds Ave. KCK 66111
 John W. Hawck 34 N. Mill KCK 66101
 Chris McClure 537 GANNON KCK 66101
 Fred Bartkovich 6710 Hadley OP 66204
 Joan Bartkovich 6710 Hadley OP 66204
 Robert A. Ortiz 4201 80th 66112
 David L. Reid 11214 Bent Tree Dr KCK 66109
 Phillip T. Loran 12195 S. Blackbob Rd. Apt. #310 66062
 Donna R. Stark 4880 Oakland KCK 66102
 Brita Stark 965 MANORCREST KCK 66101
 Russell Hernandez 5000 State ave Apt 24 KCK 66102
 Rita Stark 14 VIEWCREST K.C. Ks. 66101
 Margie Couch 14 VIEWCREST K.C. Ks. 66101
 Myrna Sapp 3140 N. 9th K.C. Ks. 66101

PETITION

I support Kansas Senate Bill No. 329 which would allow slot machines and video games at the Woodlands Race Track at 9700 Leavenworth Road, Kansas City, Kansas.

- Dianna K. Brancee 211 N. 25th St. Kansas City, MO 66102
- Mary P. Grassland 2400 N. 43rd Ave. Kansas City, KS 66104
- Michael A. Juras 2804 N 102 Ten KCK 66109
- Frank R. [unclear] 448 N 16th KCKS 66102
- Carol A. Hundel 448 N 16th KCKS 66102
- Jan P. Humble 267 orchard KCKS 66101
- Harold J. Mook 446 N 16th KCK 66102
- Terri Ramsey 2758 N. 10th Ave KCK 66109
- Robert M. Tyler 5030 Buena Vista R.P. 66205
- Sandra J. Morton 446 N. 16th St. KCK 66102
- Ganita Canady 2708 WAVERLY K.G.K. 66102
- Elaine Miller 133 N. 70th Ave KCK 66111
- Angie Lawson 61 Royal Drive KCKS 66111
- Angela Dolinak 5025 Lamar Apt. #5 Mission, KS 66202
- Jason Yang 5025 Lamar Apt. 5 MISSION, KS 66202
- Sandra Stawinski 18081 150th St Basehor, KS 66007
- Mike Dallipera 7236 Parkview KCK 66109
- Thomas W. Broneman 6900 Parallel Pkwy. K.C. KS. 66102
- Mary [unclear] 710 N. 7th St. KC KS 66101
- [unclear] 2226 Debra St LAWSON KS 66043

PETITION

I support Kansas Senate Bill No. 329 which would allow slot machines and video games at the Woodlands Race Track at 9700 Leavenworth Road, Kansas City, Kansas.

GARY STARIK

Linda Verbeck

Louise Sochen

Monter Dorr

met Dorr

Steve Dreller

Robert P. Sun

Paul G. B.

John Fackler

John G. Pitho

Jimmy Faber

W. Kauf

Carolyn Lander

Evelyn Cluff

David M. Vukobratovic

Kevin Connor

Richard Verbeck

Manda Hermann

Patricia Verbeck

Teresa Kovac

4880 OARLAND K.P.K. 66102

10105 W. 50th TER, MERRIAM, KS. 66203

8212 FREEMAN KCKS 66112

6365 Brockway SHAWNEE KS 66226

2136 Orville K.C. KS. 66102

10227 MONROE LEAVENWORTH 66215

4605 LLOYD, KCK 66103

1135 N. 75th DR KCKS 66112

8212 FREEMAN KCKS 66112

2414 WASHINGTON BLVD KCK 66102

616 ORIENT DR. K.C.KS. 66102

273 N. 29 K.C.K. 66102

701 N. 75th KCKS 66102

416 N. 28th KCKS 66102

3109 S 110TH KCKS 66109

701 N 75th KCKS 66112

5039 Glenwood S.M. KS 66202

5600 W. 92nd Ter. Overland Park ks. 66207

3109 N 110th KCK 66109

416 Thompson K.C.K. 66101

I support Kansas Senate Bill No. 329 which would allow slot machines and video games at the Woodlands Race Track at 9700 Leavenworth Road, Kansas City, Kansas.

John Jennings 3826 N 113th R.C.K. 66109
Francis A. Scherzer 3826 No. 113th KCK 66109
Michelle Jennings 3826 N. 113th KCK 66109
RD Riddler 2934 N 78th KCK 66109
Rodger Green 6036 Sewell KCK 66104
Marcella Green 6036 Sewell KCK 66104
Calvin Young 11301 LAKEVIEW DR KCK 66109
Jimmy Mitchem 4933 N 123 RD Kansas City, Kansas 66109
Mitch Herd 2016 Key lane Kansas City, Kansas 66106
Jerry A. Kilpin 3234 N 67th Kansas City, Kansas 66104
Larry A. Matthews 1535 N. 55th St. Kansas City, Mo. 66107
Drene Kilpin 3234 N 67th Kansas City Kansas 66104
Larry A. Matthews Jr. 1535 N. 55th St Kansas City, Ks. 66107
Chris Alvarado 2412 N 102nd ST KCK 66109
Tom Kelsay 1916 W 94th ST Kansas City Ks. 66112
Joe Kelsay 4524 Haskell Kansas City Ks 66109
Curtis + Pat Pennington 2433 SOUTH 65TH ST. KANSAS CITY, KS 66106
Anthony + Maryc. Allegar 1728 Haas DR KCK 66106
Mark S. Sanchez 2421 So. 45th St. K.C.Ks. 66106
J. Ruiz 7208 Forest Dr. KCK 66106
Steve McClendon 20078 235th Tangentia Ks. 66086
Shirley L. Brown 7543 Pathway Ave KCK 66109

PETITION

I support Kansas Senate Bill No. 329 which would allow slot machines and video games at the Woodlands Race Track at 9700 Leavenworth Road, Kansas City, Kansas.

Name	Address
Raymond F. Cox	7535 Cleveland KCK
Larry Kibb	7216 Parkview KCK
BIL HANSEN	3204 N. 52 KCK
Robert W. Haysen	8415 CLEVELAND KCK
Henry Henderson	826 No 81 ST 99215
Charlene Elkins	7354 FARRON K.C., K.
JAY TORNEDEW	8242 TAUROMEA KCKS
Edwin R. Murphy	4714 Humbolt KCK
Ronald W. Felt	12500 Hollingsworth Pl. K. CKS
Ray W. D.	12846 MILLER KCKS
Chad D. Church	2704 N 82 nd S F KCK 66109
Skinner Munster	1313 Mocking Bird Lane
Kevin Conway	244 N 73 rd KCK
Melody Widener	2713 N. 63. KCKS.
Ruby Barcus	8950 Deer Rd. KCKS.
MR. & MRS. Rick Courtney	3360 N. 70 th Street 66109
MR. ECCOTT	8012 Amsstrong Ave KCKS 66102
Shawn O'Malley	9935 SLOAN K.C.-KS 66109
John Tomford	3132 N 85 th Place K.C., K. 66109
Paul C. Gaud	3717 N. 63 K.C.KS 66104
Richard L. Trower	2905 N 99 ST KCK
Shirley Parker (turn over)	12225 McPherson Rd. Leav. KS 16-28

Vicente MORENO	378 W 118 ST	ROSLAND PARK KS
Luzie Dempsey	528 N 65	KCK
Robert & Martha	2318 N 91 TERR	KCK
Mital Swam	5414 W. 79 th Ter	SMKS 66208
Kathy Tomford	3132 N 85 th PLACE	KCK 66109
Jim Wilson	7847 WAVERLY	KCK

PETITION

I support Kansas Senate Bill No. 329 which would allow slot machines and video games at the Woodlands Race Track at 9700 Leavenworth Road, Kansas City, Kansas.

Corny Wright.

Jan Simmons

Andrew Medetz

Jurgina Simmons

Carl Faulk

Shirley A. Woods

Jo Ann Singer

Don Singer

Chris Draves

Deby Margare

Erma Lee Medetz

Carl W. Horn

Jimmy H. Mabry

Patricia Everhart

Joanna Tait

ROBERT L. FRITZ SR.

Samela Fritz

Marilyn Galt

Robert A. Jout

~~William D. Horn~~

William D. Horn

Jerry Hill

Doris R. Owen

Jerry Plummer

Jettie W. Matley

Patricia Stokes

~~Donna~~

Ann McJohnson

Richard Foley

Ali Cat

Round Smith

PETITION

I support Kansas Senate Bill No. 329, which would allow slot machines and video games at the Woodlands Race Track at 9700 Leavenworth Rd. Kansas City, Kansas

Billie Antthous 4810 N 123rd KCK 66109
 Doris Hansen 15478 Brandt Rd Leavenworth Ks 66048
 Cecile M. Clark 735 South 78th P.C.K. 66111
 Mary Watkins 1405 N. 60th KCK 66102
 Jeff Ramsore 814 Goodman O P K S 66204
 Clairene Wright 3311 N. 85 Place K.C.K.S. 66109
 Virginia Thompson 2210 N. 104th Terr KCKS 66109
 Joe Bachman 94 Sunnyside Dr. J.C.K.S. 66101
 SUE LARSON 6218 Georgia KCKS 66104
 Vanda Larson 6218 Georgia KCK 66104-1957
 Lou Ann 2949 No. 119, K.C.K. 66109
 Kevin Gallagher 8907 State Ave, KCK 66112
 Kelly Lackner 8907 State Ave KCKS 66112
 Barbara Kue 5548 Tamm Rd. KCKS 66106
 Patricia Warr 5814 Parkview ave K.C.K.S. 66104
 NATH EDMONDS 324 N 80th K.C., Ks. 66112
 Gail E. Malec 3009 N 91st, KCK 66109
 Sharon McDowell 13502 222nd St, Linwood, Ks. 66052
 Grant J. Malec 3009 N 91st, KCK 66109
 Joseph Hesse 9728 Reeder Ave O P K S 66214
 Forest R. Stanley RR#2 BOX 53AB Mound City, KS 66056
 Harriet Stanley RR2 Box 53AB Mound City Ks 66056
 Helen Finbren 5709 Lathrop, KCK 66104
 Serge Finbren 5709 Lathrop KCKS 66104
 James R. Clark 4520 STATE AVE K.C.K.S. 66102
 Opal Giles 4520 State Ave KCK 66102
 Joan Rusnak 2516 N. 83rd St. K. C. K.S. 66109
 Karen Simmons 4606 Locust Ave KCKS 66106
 Andrew J Sartwood 11300 Riverview rd Eureka KS 66111

PETITION

I support Kansas Senate Bill No. 329 which would allow slot machines and video games at the Woodlands Race Track at 9700 Leavenworth Road, Kansas City, Kansas.

1. Pat Dehaemers KCK
2. Mary Bepp KCK
3. Agnes Lebeck
4. Mary Veronica O'Toole
5. Kathryn Stipetich
6. John Stipetich
7. Veronica Gasparovich
8. John Gasparovich
9. Karl Terbyar KCK
10. Helen Terbyar KCK
11. Peter Stylich K.C.K.
12. Al Keady
13. Bernice Kovac K.C.K.
14. John M. Kovac K.C.K.
15. Edward A. Franklin KCKS
16. Thomas J. Somers KCKS
17. Mary Watson
18. Maria Teser
19. John Shon
20. Carolyn Foster
21. Mary Savage
22. Ed Savage
23. Grace Fress
24. Patty L. Westfall
25. Piusi Somasi K.C., KS
26. Amanda Lowe - K.C., KS
27. Annette Keller KCKS
28. Michael Lowe - K.C., KS
29. Helen Feden 5230 No. 107 KCK
30. Lonne Braun 447 N. 17th KCK

21. Carl B. KCK
22. ELZA Terbovich
23. Leonard - Stonestreet
24. Delores - Stonestreet

PETITION

I support Kansas Senate Bill No. 329 which would allow slot machines and video games at the Woodlands Race Track at 9700 Leavenworth Road, Kansas City, Kansas.

1. John L Mowhal K.C. Ks.
2. Dorothy Radysuek K.C.K
3. Boss Sacher K.C.K
4. Jessie Tesell K.C.K
5. Victoria Ahlmer K.C.K
6. Hees Gleimer K.C.K.
7. Mital H. Doud A.P.K.
8. Dorothy Carlone K.C.K.
9. Frank M Carlone K.C.K
10. Tony Yarnum K.C.K
11. Mary Lacy K.C.K Bonner Springs Ks.
12. Rose Drasovich Bonner Springs Ks.
13. Anthony Lacy Bonner Springs Ks.
14. Bernice Huser Bonner Springs Ks
15. Mary Faslich
16. DON PAULICH K.C.Ks.
17. Jim PAULICH ~~Bonner Springs~~ O.P., Ks.
18. Rich PAULICH K.C.Ks.
19. DAN PAULICH K.C.Ks.
20. Downy PAULICH K.C.Ks.
21. DAVID PAULICH O.P., Ks.
22. DANA PAULICH K.C.Ks.
23. JOE PAULICH K.C.Ks.
24. Andy CRAB K.C.Ks.
25. JACK FIERST, Mission, Ks.
26. Phyllis FIERST, " "
27. John FIERST, JR. " "

I support Kansas Senate Bill No. 329 which would allow slot machines and video games at the Woodlands Race Track at 9700 Leavenworth Road, Kansas City, Kansas.

Lita ~~Grant~~ ^{926 N. 98th}
Kaye Grove

Robert P. Creten

Ruth Jacobs

Harry T Kelley

Toie Arnold

Oran Uemel

Ferdie Arnold

Helen Stonestreet

Laurie Richardson

Frank Griggs

Dorothy Colburn

Cliff Holm

Jim Mallory

John F. M. C.

Bev Douglas

Zelma Pullen

Paul Stonestreet

Kathleen L. VanHoye

Dorothy Riehl

Lee Riehl

Erst Uloner

Connie Breidenthal

Pat Drunk

Mapine McPherson

John Shelton

Audrey Kelley

J. Kendall Vance

Sue Abrwine

Conrad

Jim Creten

Karl J. Hill

Jon Creten

Helen Sakia

Helen Helvey

John Helvey

Kathryn Creten

Art Berg

John McIntosh

Fathy Burford

Judy Richardson

James R. Holloway

Harry Prunice

Justin R. Davis

I support Kansas Senate Bill No. 329 which would allow slot machines and video games at the Woodlands Race Track at 9700 Leavenworth Road, Kansas City, Kansas.

Donni Dure 2323 N 73 St. KC KS 66109

 12509 Nelson Lane KC KS 66109

~~Paul K...~~

Luz Price 12509 Nelson Lane KC KS 66109

Nancy Rader



Bob Turner

Robert A. Martens


Tom Hall

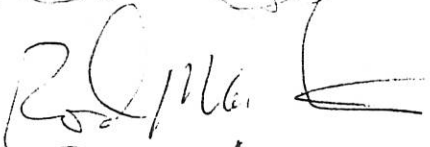
Sam Moff

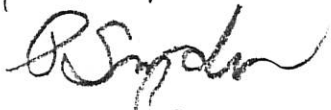
Ferry F. Krumpholtz

Robert L. Long

James F. Cordover

Card D.  2323 N 73 St KC KS 66109





David Messer 1900 S. 22nd St. KC KS 66106

Steve Schmidt 232 SE. Brownfield Dr. Lees Summit Mo. 64063

John N. Mann 6452 FARROW AVE KANSAS CITY, MISSOURI 66104

Gerry Womack 5940 ~~St~~ States Ave K.C., Kansas 66102

Robert L. P. ... 1503 N. 64th St. ...
Bruce Reach 12230 Hollingsworth NCK 60109
Paul E. ... 1908 W 73rd apt. 2
S. L. M. ... 6565 Frigidus apt 3006 Mission

LA

Wayne Frost
60-3284

16-36 770
~~16-35~~

I SUPPORT KANSAS SENATE BILL NO. 329 WHICH WOULD ALLOW SLOT
MACHINES AND VIDEO GAMES AT THE WOODLANDS RACE TRACK AT 9700
LEAVENWORTH ROAD, KANSAS CITY, KANSAS.

Address

Donna McClure 421 N 83rd Terr KCK
Vivian Shannon 6821 Greeley Ave. K.C. Mo. 66109
Diana Dressler 855 So. 74th Terr. KCK 66111
Dana Haygood 7000 Greeley Ave K.C. Mo. 66109
Tazenne Hundley 3018 N. 73rd St. K.C. Mo. 66109
Bill Water 451 N. 31 K.C. Mo. 66111
John Schmid 8218 Fayette KCK 66109
Kathy Berry 3340 N. 100 KCK 66109
Marion Berry 3340 N 100 KCK 66109
Harold Wiley 700 N. 80th Terr. K.C. Mo. 66112
Stephanie Wright 855 So 74th Terr. K.C. Mo. 66111
Judy Dressler 855 So. 74th Terr KCK 66111
Lae Rhodes 7531 Riverview KCK 66112
Rud Ann Taylor 300 N. 81 Terr KCK 66112
Matthew Brooks 3014 N 35 KCK 66104
Melissa Scheets 4247 Parkview Ave KCK 66104
Lester J Meyer 18807 158th St B Asher KS 66007
Richard L Otter 8409 State Ave K.C. Mo. 66112
Sister M Stupling 742 N. 83rd Terr K-C, Mo. 66112

Jim Macan

I SUPPORT KANSAS SENATE BILL NO. 329 WHICH WOULD ALLOW SLOT MACHINES AND VIDEO GAMES AT THE WOODLANDS RACE TRACK AT 9700 LEAVENWORTH ROAD, KANSAS CITY, KANSAS.

Justin Wyatt
Howard L. Browning
Dan A. Wintersinger
Connie Smith
Taddeus Bennett
Luis Barker
Inel White IV
David Neltor
D. M. Kelsch
Rodney Nigh
Lars Coak
Timothy P. Swann
Seidyn M. Kouch
Ray Cook
Dorothy Dawkins
Angela Brennan
Peggy Riley
Miles Cox
Ren Morris

Mr. and Mrs. Warren
Walter Spay
Mary Bennett
Cheryl Nunn
Bireme Lawson
Linda Dixon
Rosi Hyde
Crest Walker
Carde Talano
Stan Shopmaker
BRANSON WARRISON
Larry Snow
Chestera Billie
Jeanette Littleton
Luis Cremer
John Romney
John M. Smith
Tom Francis
York K. Martin
Cecil M. Smith

PETITION

I support Kansas Senate Bill No. 329 which would allow slot machines and video games at the Woodlands Race Track at 9700 Leavenworth Road, Kansas City, Kansas.

Douglas Jones 8332 Mackey OR KS
 Wynona McLeay 2850 Robinson G.U.M.O
 Ginny Ruter 1313 Hoel Plwy Ke 64102
 Amber Grove 3211 N 59th St KKS 66104
 [Crossed out] 14091 W. 115th Overland, Ks
 Fred Brown 2318 N. 72nd K.C.K.
 John Moon 1418 N. 25
 Harry Moon 1418 N. 25 K.C.K.
 Cathy Crockett 2217 N. 87th K.C.Ks.
 Jan M. Crockett 2217 N. 87th K.C.Ks.
 John W. Croom 4712 Oakland ave K.C.K.
 Linda S. Croom 4712 Oakland ave K.C.K.
 2nd Jerry Burdick 2030 N. 76th K.C.K.
 Sally Burdick " " " " " "
 Gustav Gulmow 3201 N. 59th K.C.K.
 Lela Sibert 1413 N. 23rd. K.C.K.
 Dennis J. Schut 1503 N 23rd St KCKS
 Killeadean Thoren 5940 Oak #18 KCK
 Susan Dopler 6119 Monty #2 OP
 Lois H. Claplin 2100 Oakland Ave KCK 66102
 Bill Dunc 5126 Yecker KCK 66104
 Arbie Chaves KCK

PETITION

I support Kansas Senate Bill No. 329 which would allow slot machines and video games at the Woodlands Race Track at 9700 Leavenworth Road, Kansas City, Kansas.

John A Bell
 Shannon Burch
 Eddy N. Barker
 Robt Mason
 Rhonda Moon
 Teresa Moore
 Buck Moore
 Lynn McLaughlin
 Dean [unclear]
 Charles J. [unclear]

Betty Bentsch
 Christina D Bentsch
 Guy F. [unclear]
 Margaret McElroy
 Lynn McElroy
 Chris Mason
 Avis R. Nevils
 Roger K. Beel
 [unclear]
 Megan R. Malcolm
 Sara Bentsch
 Dean Budge

PETITION

I support Kansas Senate Bill No. 329 which would allow slot machines and video games at the Woodlands Race Track at 9700 Leavenworth Road, Kansas City, Kansas.

- 1 ROBERT SHATTO - 532 BARNETT AVE. K.C. Ks. 66101
- 2 Jeannie Stonestreet 740 Sordusky K.C. Ks. 66101
- 3 Martha Stonestreet " " " "
- 4 MARY TARDIJAN - 536 BARNETT K.C. Ks. 66101
- 5 MIRKO TARDIJAN - 536 BARNETT K.C. Ks. 66101
- 6 Peter Gerba - Overland Park, Ks.
- 7 Shirley Gerba - " "
- 8 Joe Gerba K.C. Ks
- 9 Bev Douglas K.C. Ks
- 10 Richard Douglas K.C. Ks
- 11 Lou Richardson O.P. Ks
- 12 Bill Richardson O.P. Ks
- 13 Dorothy Coburn O.P. Ks
- 14 Don Coburn O.P. Ks
- 15 Don Douglas O.P. Ks
- 16 David Douglas O.P. Ks
- 17 Jim Malloy ~~Ozark~~ OZARKIE, Ks.
18. Dorothy Riehl Shawnee, Ks.
19. Leo Riehl Shawnee, Ks.
20. Ceuther Portko K.C. Ks
21. Stella Porth K.C. Ks.
22. Mary Ulmer Bonner Forge, Ks.
23. Ernst Ulmer Bonner Forge, Ks.
- 24 Helen Stonestreet - K.C. Ks.
25. Paul A. Stonestreet - K.C. Ks.
- 26 - MARY SUPICA - K.C. Ks.
27. JAN SUPICA - O.P. Ks.
28. Alex Supica - O.P. Ks.
29. BONNIE VALENZUELA - K.C. Ks.
30. Val Valenzuela - K.C. Ks.

I support Kansas Senate Bill No. 329 which would allow slot machines and video games at the Woodlands Race Track at 9700 Leavenworth Road, Kansas City, Kansas.

Conrad Elson 9264 Minnesota KCK 66112
Betty J. Elson 9264 Minnesota K.C. Ks 66112
Dianne Elson 8603 W. 84th O.P. Ks. 66212
Carolynn & Camp 13916 S. Brougham Cr. Olathe, Ks, 66062
Catherine & Camp 13916 S Brougham Cr Olathe 66062
Patricia H. Sedlock ~~9263~~ 9263 Minnesota KCKs 66112-1522
Jan Mellendorf 7629 Everett RCKS 66112
Lucy D. Orvender 1334 W. 78th St K.C. Ks 66112
Paul F. Haber 9251 Minnesota K.C. Ks. 66112
Valerie E. Nelson 9248 Minnesota K.C. Ks. 66112
Erl M Sedlak 9263 Minnesota, CCK 66112
Pauline Neumer 8109 Riverside K.C. K. 66112
Rose Marie Walker 9701 Benson O.P. Ks. 66212
John H. Walker 9701 Benson O.P. Ks 66212
Regina Seefelting 9324 Minnesota K.C. K. 66112
Harold Karnas 9325 Minnesota K.C. K 66112

I support Kansas Senate Bill No. 329 which would allow slot machines and video games at the Woodlands Race Track at 9700 Leavenworth Road, Kansas City, KS.

Philip C. Orndor

Carolyn S. Fratzel

Rosemary Harris

Mary D. Sutulovich

May H. Brown

Luey E. Adair

Doris Wade

John Fratzel

Hymn Singmaster

Honnie Singmaster

I support Kansas Senate Bill No. 329 which would allow slot machines and v games at the Woodlands Race Track at 9700 Leavenworth Road, Kansas City, Kansas.

Clarence Asher

Walter Brown

JERALD A. SMIT JR

John Drury

Mike Bobber

Marilyn Jarney

Jeffrey A. Weddle

Jerry Sparks

Doug R. Nagert

James J. Orth

Leon E. Hayward

Joe Panjaba

Barry Benson

Alex McCalla

Harold Beard

Charles L. Graham

Murray O'Connell

Joe Purjes

Mike Huber

Wicky L. Starnes

Augusta Sheel

...

5735 OAK GROVE KCK

13530 METROPOLITAN BONNER SPRINGS

2728 N. 103RD ST KCK KS.

619 S. 44TH Terr. KCK KS

2610 SO 28TH KCK

2830 N. 83RD Terr KCK

10832 Cleveland KCK

6641 County line Rd KCK

203 W. 2nd St Bonner Springs Ks

316 N 15TH K.C. Kansas

6643 Bellefonte Shawnee Kan.

11301 W. 106ST OVERLAND PARK Ks

5220 MILLER CANYE 66109 KCK Ks

3155 SO. 49TH Terr. KCK KS 66102

2644 N 2ND KCK KS 66102

6512 Sears blv. K.C. Ks 66102

417 N 19TH KCK 66102

4457 ADAMS KCK 66103

1720 N 78TH Terr KCK 66112

234 S. 102 Edwardsville Ks. 66111

7700 Oaklawn 66112

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Email smont@cjnetworks.com

TO: Senate Federal and State Affairs Committee
FROM: Steve Montgomery, Kansas Greyhound Kennel Owners' Association
RE: Senate Bill No. 329
DATE: March 18, 1999

Introductory Remarks

I am appearing on behalf of the Kansas Greyhound Kennel Owners' Association, which is comprised of greyhound kennels licensed by the Racing and Gaming Commission to operate at Kansas racetracks. Many of our members have greyhound farms in Kansas where greyhounds are bred and trained. Additionally, most of the Association operates kennels around the country at numerous racetracks and, therefore, we have the unique opportunity to observe racetrack operations in a variety of locations.

Greyhound Industry Perspective

In the abstract, the greyhound industry does not support casino-style gaming. With parimutuel and casino gaming competing for the same entertainment dollar, only when gaming is combined with parimutuel racing *and* gaming revenue is reinvested into the agri-business industry, can we support the concept of expanded gaming. Our members are engaged in the livestock industry and our markets are racetracks. In Kansas, this industry so substantial that Abilene, Kansas, is generally known as the "Greyhound Capital"; Kansas is the home of the National Greyhound Association; and the National Greyhound Hall of Fame is located in Abilene. The combined efforts of the greyhound and horse industries birthed the parimutuel system with the passage in 1986 of a constitutional amendment by a "YES" vote of 59.9%.

A number of other states have combined parimutuel racing with casino gaming of various types. Without any exception of which we are aware, these endeavors have all been successful. Perhaps the closest example, both in terms of geography and market

Sen. Federal & State Affairs Com
Date: 3-18-99
Attachment: # 17-1

factors, is the Iowa model, in particular the Bluff's Run greyhound facility in Council Bluffs. The Iowa experience has been good for the state of Iowa as it has raised substantial revenues for the state; it has benefited charities; provided funding for the treatment of problem gamblers; and, importantly from the position of the KGKOA, it has benefited the Iowa greyhound agri-business industry. Iowa requires a portion of gaming revenues to be used for supplementing purses at the track. Most importantly, it requires additional gaming revenues to be spent when Iowa-bred greyhounds win races. This system brings in the best racing animals from all over the country **AND** it has resulted in the increase of Iowa greyhound farms where animals are bred and trained in order to be eligible to win the enhanced Iowa-bred purses. Consequently, the dollars from casino games don't simply go into the owners' pockets. In this type of system, gaming is conducted in a secure environment and is ancillary to parimutuel racing; rather than being the primary focus.

1999 Senate Bill No. 329

The greyhound industry was not a contributor to the drafting of this bill and, consequently, cannot comment on the intent of the bill. However, in any proposal to expand gaming to racetracks, we have the following concerns:

1. When expanded gaming is bootstrapped into a racetrack, that it remain ancillary to parimutuel racing.
2. That the greyhound purses are appropriately supplemented from gaming revenues.

We have offered amendments to pages 3, 8 and 11 of the bill to accomplish these objectives:

1. At p. 8, new (D)(1) and (2) would be inserted, reflecting the purse supplements to be awarded to greyhounds.
2. At p. 11, new (h) would be inserted, requiring the opportunity to bet on all races within the structure housing the machines.
3. At p. 11, new (i) would be inserted, requiring that certain minimum live racing be conducted at the track.

The Committee should be advised that since the bill was drafted, negotiations have occurred with the holders of the track licenses and there was general recognition that the original bill failed to adequately compensate the greyhound industry. Accordingly, agreements have been reached with the Wichita and Kansas City tracks regarding the increased greyhound compensation. To keep such amounts in perspective, in Iowa (which does not yet have the substantial greyhound industry that Kansas possesses), greyhounds are paid a guaranty of \$100/point and an additional \$125/point for winning Iowa-whelped greyhounds. As you can see, even though Kansas is known as the

"Greyhound Capital", the attached amendments would not provide the purses presently paid in Iowa.

1999: The Big Picture

Our Association has promoted similar measures in prior years. In fact, in two previous attempts, we were the lead proponent for these proposals. However, the context for the legislation is somewhat different this year.

"NO GAMING."

On the one hand, we can examine where our current state policy, which I will refer to as "NO GAMING", has led us. We can now play virtually any casino game yards from Kansas soil on Missouri riverboats. We can now play virtually any casino game at four tribal casinos within the state of Kansas. We cannot obtain one tax dollar to benefit the people of the state of Kansas. We have present in the state all of the ill consequences of gambling. Kansans want to **and do** gamble. Reliable polls tell us that: 36% of Kansans have gambled at Missouri riverboats; 19% have gambled at Kansas tribal casinos; 60% of Kansans have gambled at a casino, the Lottery or the racetrack; and 55-59% favor "slots at the tracks." In 1986, a remarkably similar majority of Kansans passed parimutuel by a vote of 59.9%

"BIG GAMING."

The introduction of SB 330 proposes to place gaming machines at basically any location which can currently sell Lottery tickets. In addition to the proliferation of gaming, there is a level of security at these locations which is markedly different than proceeding on a limited basis.

"SLOTS AT THE TRACKS."

The concept of limited expanded gaming (machines) at limited and secure sites (racetracks), looks much different when placed in the context of the current NO GAMING policy and the BIG GAMING proposal of SB 330. Perhaps for the first time, it can be examined as the reasonable middle ground, which can provide our state with something positive from the gaming world, a fact of life in present and future Kansas.

Session of 1999

SENATE BILL No. 329

By Committee on Federal and State Affairs

2-22

9 AN ACT authorizing electronic gaming machines; relating to the regu-
10 lation thereof; creating the Kansas education technology enhancement
11 fund; amending K.S.A. 74-8701, 74-8702, 74-8704 and 74-8711 and
12 K.S.A. 1998 Supp. 74-8710, 74-8718, 74-8719, 74-8723 and 74-8804
13 and repealing the existing sections.

14

15 *Be it enacted by the Legislature of the State of Kansas:*

16 Section 1. K.S.A. 74-8701 is hereby amended to read as follows: 74-
17 8701. (a) K.S.A. 74-8701 through ~~74-8721~~ 74-8723 and sections 8 through
18 19, and amendments thereto, shall be known as and may be cited as the
19 Kansas lottery act.

20 (b) *If any provision of this act or the application thereof to any person*
21 *or circumstance is held invalid, the invalidity shall not affect other pro-*
22 *visions or application of the act which can be given effect without the*
23 *invalid provision or application, and to this end the provisions of this act*
24 *are severable.*

25 Sec. 2. K.S.A. 74-8702 is hereby amended to read as follows: 74-
26 8702. As used in this act, unless the context otherwise requires:

27 (a) "Commission" means the Kansas lottery commission.

28 (b) "Electronic card" means a card purchased from a lottery gaming
29 machine operator for use on an electronic gaming machine.

30 (c) "Electronic gaming machine" means any electromechanical, elec-
31 trical, electronic, video or computerized device, contrivance or machine
32 authorized by the commission which, upon the insertion of cash, tokens
33 or electronic cards, is available to play, be operated or simulate the play
34 of, a game authorized by the commission, including but not limited to,
35 bingo, poker, black jack and keno and which may deliver or entitle the
36 player operating the machine to receive cash, tokens, merchandise or
37 credits that may be redeemed for cash. Electronic gaming machines may
38 use bill validators and may be single position reel-type, single position
39 single game video and single position multigame video electronic gaming,
40 including but not limited to, poker, black jack and slot machines. An elec-
41 tronic gaming machine shall not include casino table games, such as craps,
42 poker, black jack, roulette, keno, layout, numbers tickets, baccarat, klon-
43 dike table, punchboard, punch cards, faro layout, ticket or pull tab.

1 in subsection (a)(1) of K.S.A. 74-8814, and amendments thereto.

2 (n) "Parimutuel licensee location" means a facility located on or im-
3 mediately adjacent to the real estate of a parimutuel licensee where live
4 horse racing or live greyhound racing has been authorized to be con-
5 ducted pursuant to the Kansas parimutuel racing act prior to July 1, 1999.
6 A parimutuel licensee location may include any of the existing structures
7 located on the real estate where the live horse racing or live greyhound
8 racing is authorized to be conducted on July 1, 1999, or any other struc-
9 tures that may be constructed on or immediately adjacent to such real
10 estate. In order to qualify as a parimutuel licensee location, ~~a facility~~
11 ~~where live greyhound racing is conducted shall be approved for at least~~
12 ~~150 days each year on which greyhound racing shall be conducted, and~~
13 ~~a facility where live horse racing is conducted shall be approved for at~~
14 ~~least 21 days each year on which live horse racing shall be conducted.~~

15 (h) (o) "Person" means any natural person, association, corporation
16 or partnership.

17 (h) (p) "Prize" means any prize paid directly by the Kansas lottery
18 pursuant to its rules and regulations.

19 (q) "Returned ticket" means any ticket which was transferred to a
20 lottery retailer, which was not sold by the lottery retailer and which was
21 returned to the Kansas lottery for refund by issuance of a credit or
22 otherwise.

23 (j) (r) "Share" means any intangible manifestation authorized by the
24 Kansas lottery to prove participation in a lottery game.

25 (s) "Technology provider" means any person or entity other than a
26 lottery gaming machine operator that designs, manufactures, installs, op-
27 erates, distributes or supplies an electronic gaming machine for sale, lease
28 or use in accordance with this act.

29 (k) (t) "Ticket" means any tangible evidence issued by the Kansas
30 lottery to prove participation in a lottery game.

31 (u) "Token" means a metal representative of value, which is not legal
32 tender, redeemable for cash only by the issuing lottery gaming machine
33 operator at its parimutuel licensee location and issued and sold by a lot-
34 tery gaming machine operator for the sole purpose of playing an electronic
35 gaming machine.

36 (l) (v) "Vendor" means any person who has entered into a major
37 procurement contract with the Kansas lottery.

38 (m) ~~"Returned ticket" means any ticket which was transferred to a~~
39 ~~lottery retailer, which was not sold by the lottery retailer and which was~~
40 ~~returned to the Kansas lottery for refund by issuance of a credit or~~
41 ~~otherwise.~~

42 (n) (w) "Video lottery machine" means any electronic video game
43 machine that, upon insertion of cash, is available to play or simulate the

17-6

1 data processing, management fees, insurance and bonding, advertising
2 and marketing, professional fees, security and surveillance costs, travel,
3 education, trash removal, recruiting, training and such other expenses as
4 are incurred in normal business operations;

5 (2) twenty-five percent shall be paid to such lottery gaming machine
6 operator to be deposited by the operator in a segregated equipment ac-
7 count which shall be available exclusively to such operator for purchasing
8 or leasing electronic gaming machines and other equipment used by the
9 operator to operate as a lottery gaming machine operator, funding de-
10 preciation or amortization of any such equipment and repaying any debt
11 incurred by such operator in acquiring any such equipment;

12 (3) fourteen percent shall be paid to such lottery gaming machine
13 operator to be deposited by the operator in a segregated facilities account
14 which shall be available exclusively to such operator for rental, leasehold
15 improvements, property taxes, insurance, assessments, maintenance, fur-
16 nishings, debt service and other expenses attributable to the entire facility
17 utilized by such operator to operate electronic gaming machines; and

18 (4) Sixteen percent shall be transferred to the state treasury. Of such
19 amount:

20 (A) One percent shall be distributed to the most populous city in the
21 county in which the operator is located;

22 (B) one percent shall be paid to the holder of the organization license
23 at the parimutuel licensee location, which shall not be in addition to but
24 in fulfillment of any contractual obligation owed by the parimutuel li-
25 censee to the holder of the organization license;

26 (C) one percent shall be paid to such service organizations and non-
27 profit bingo licensees located in the county as shall be determined by the
28 Kansas lottery pursuant to rules and regulations adopted by the Kansas
29 lottery;

30 ~~(D) an amount equal to \$10 per point for each point awarded at the~~
31 ~~greyhound racing facility operated by such operator during the preceding~~
32 ~~week. Such amount shall be used solely to make supplemental payments~~
33 ~~to the winners of such points;~~

34 (E) on or before September 1 of each year, an aggregate, from all such
35 separate accounts and not from each separate account, of \$1,500,000 shall
36 be paid to the operators of live horse racing. Such amount shall be used
37 by them solely to supplement purses;

38 (F) an amount sufficient to reimburse the lottery commission for all
39 expenses incurred in connection with operating electronic gaming ma-
40 chines; and

41 (G) the balance shall be paid to the Kansas education technology en-
42 hancement fund.

43 (f) Each lottery gaming machine operator shall maintain separate op-

supplemental purse payments to be awarded in
greyhound races as follows:
(1) at the parimutuel licensee locations in Sedgwick and
Wyandotte Counties, such amounts necessary to pay \$100 per
point awarded at the location and an additional \$75 per point
awarded at the location for races won by Kansas-whelped
greyhounds; and
(2) at the parimutuel licensee location in Crawford
County, such amounts necessary to pay \$80 per point awarded
at the location and an additional \$60 per point awarded at the
location for races won by Kansas whelped greyhounds.



17-7

(h) No electronic gaming machine shall be operated pursuant to this act unless the structure in which the machine is operated displays all live and simulcast parimutuel races on video terminals and has installed parimutuel windows for wagering on all parimutuel races.

(i) No electronic gaming machine shall be operated pursuant to this act unless:

(1) The parimutuel licensee locations in Sedgwick and Wyandotte Counties shall conduct at least 8 live racing programs each calendar week for a number of weeks equal to or greater than the number of weeks raced during the 1998 calendar year, with at least 13 live races conducted each program.

(2) During the first full calendar year in which machines are operated, the parimutuel licensee location in Crawford County shall conduct live racing for at least 150 days, comprised of at least 7 live racing performances each calendar week with at least 12 live races each program.

(3) After the first full calendar year, in the event the net machine income received at the Crawford County parimutuel licensee location is less than \$30 million, the minimum number of weekly live racing performances may be reduced to 5.

1 machines at the parimutuel licensee location, shall be for an initial term
 2 of not less than seven years and shall be renewable for like periods.

3 (d) The contracts authorized by this section may include the
 4 following:

5 (1) Accounting procedures to determine the net machine income,
 6 unclaimed merchandise and credits.

7 (2) The location of electronic gaming machines within the parimutuel
 8 licensee location and other matters relating to the operation of electronic
 9 gaming machines. The days and hours of operation of such electronic
 10 gaming machines shall not be restricted.

11 (3) Minimum requirements for an electronic gaming machine oper-
 12 ator to provide qualified oversight, security and supervision of the oper-
 13 ation of electronic gaming machines at the parimutuel licensee location,
 14 including the use of qualified personnel with experience in applicable
 15 technology.

16 (e) No electronic gaming machine shall be operated pursuant to this
 17 act unless the executive director of the Kansas racing and gaming com-
 18 mission first issues a certificate for such machine authorizing its use at a
 19 specified parimutuel licensee facility. Each machine shall have the cer-
 20 tificate prominently displayed thereon. Any machine which does not dis-
 21 play the certificate required by this section is contraband and a public
 22 nuisance subject to confiscation by any law enforcement officer. A vio-
 23 lation of this subsection is a severity level 8, nonperson felony.

24 (f) The Kansas lottery shall examine prototypes of electronic gaming
 25 machines prior to certification pursuant to this section and shall notify
 26 the Kansas racing and gaming commission which such types of electronic
 27 gaming machines are approved for use by the Kansas lottery.

28 (g) Electronic gaming machines operated pursuant to this act shall:

29 (1) Pay out an average of not less than 80% of the amount wagered;

30 (2) be linked under a central communications system to provide au-
 31 diting program information as approved by the commission. The com-
 32 munications systems approved by the commission may not limit partici-
 33 pation to only one electronic gaming machines manufacturer by either
 34 the cost of implementing the necessary program modifications to com-
 35 municate or the inability to communicate with the central communica-
 36 tions system;

37 (3) be on-line and in constant communication with a central com-
 38 puter located at the commission. The Kansas lottery shall obtain title to,
 39 or a license for, the operation of, such gaming equipment as is necessary
 40 to implement such central communications and auditing functions.

41 § New Sec. 9. Except for persons acting in accordance with the rules
 42 and regulations of the Kansas lottery and the Kansas racing and gaming
 43 commission in performing installation, maintenance and repair services,



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March 18, 1999

**Senator Lana Oleen, Chair
and Members of the Federal and State Affairs Committee:**

Speaking on behalf of the Unified Government of Wyandotte County/Kansas City, Kansas, we fully support SB 329 pertaining to electronic gaming machines at parimutuel licensed locations such as the Woodlands Greyhound and Horse Racing facility in Kansas City, Kansas.

We also endorse a local-option referendum regarding electronic gaming machines per SB 329. A non-binding referendum on this issue was placed before the voters of Wyandotte County in August of 1996. **An overwhelming 82 percent of the voters said they wanted gaming at the Woodlands.**

For many years, the Woodlands was the top tourist attraction in the entire State of Kansas, generating hundreds of thousands of dollars in state revenue. The opening of river boats across the river in Kansas City, MO, as you know, has adversely affected the Woodlands with a significant loss of jobs and revenue. Our lost revenue is now going to government coffers in Missouri. Residents of Kansas are now tourists in Missouri.

The Citizens of Wyandotte County have made a sizeable investment in the Woodlands. For that reason, they deserve a say in how they receive a return on their investment by having the opportunity to vote on a gaming referendum. Considering the national attention we are currently receiving on the opening of the world-class Kansas International Speedway in the spring of 2001, we believe the Woodlands — with gaming — would further make Kansas City, Kansas a destination point, and a leader in promoting and enhancing tourism for the State of Kansas.

We fully agree with Jerry Heaster, a columnist for the *Kansas City Star*, who on Feb. 25, 1999 wrote: ***“There is no reasonable justification for Kansas legislators to deny local voters the right to decide whether gambling liberalization is acceptable in their communities.”*** (Mr. Heaster’s column is attached) What does the State of Kansas stand to lose by allowing a local gaming referendum? ANSWER: **absolutely nothing**. We firmly believe the State of Kansas has a great deal to lose if our Citizens are not afforded the opportunity to decide this issue once and for all at the polls.

The Unified Government of Wyandotte County/Kansas City, Kansas and its Citizens strongly urge you to support SB 329. Thank you for your consideration.

Sincerely,

Don Denney

Media/Public Relations Specialist

Unified Government of Wyandotte County/Kansas City, Kansas

Sen. Federal & State Affairs Comr
Date: 3-18-99
Attachment: # 18-1

OPPOSED

Madam Chairmen
Senators
Guests

My name is Ralph Lilja. I am currently president of the Kansas Horseman's Benevolent and Protective Association. I am here representing horseman regarding S.B. 329. While we endorse the concept of slot machines at pari-mutuel facilities we cannot endorse this bill in its' current form.

Having raced at The Woodlands since it opened, I have had the misfortune to watch attendance and handle shrink every year until bankruptcy. I don't think anyone will dispute the primary cause of this decline is the riverboats located on the Missouri River. Now one of the Missouri Riverboat owners has acquired The Woodlands, and appears to be trying to create a situation which horse racing cannot survive in. A billion dollar industry with thousands of incomes statewide would be destroyed if this bill passes in its current form.

Some of points we are opposed to are:

- 1) Greatly reducing the position of the organization licensee. This makes it easier to introduce gaming without live racing. Also the 1% in previous bills for these charities has been deleted. This should be reinstated

2) They offer only 21 days of racing. This is not a realistic number of days to move to a new location. The 21 days we have been running were only an agreed compromise with former management during the decline and bankruptcy of the Woodlands.

Current Examples at other facilities in the Midwest:

- Oaklawn Park – Hot Springs Arkansas – 55 days
- Prairie Meadows Racetrack and Casino – Des Moines Iowa – 53 days thoroughbred, 53 days mixed.
- Canterbury Downs – Minneapolis – Minimum 63 days
- Fonner Park – Grand Island, Nebraska - 45 days
- We had contracted for 55 days the 1st year and 65 days per year thereafter.

3) One Million Five Hundred Thousand was offered to us for the 21 day horse meet. Those dollars do not begin to cover our costs. Attached is exhibit #1 that lists the current horse racing slot machine combinations we are aware of. Please note that the smallest is 5.5 Million Dollars from a facility which operates only 12 hours a day, with 300 machines.

- 4) We believe that as in most other locations, a small percentage should be allocated to promotion of live racing, and for capitol improvements at the horse racing facility

- 5) The placement of machines should be limited to facilities where all live races are displayed on video terminals and operational, manned pari-mutuel windows are installed.

In closing I would like to thank the committee for this time and consideration. If there are any question I would be happy to answer them.

HORSE RACING WHERE COMBINED WITH SLOT MACHINES

- A. Delaware Park (Delaware) – 40% state tax, of which about 14% to horse purses – approximately **19 Million** in 1999
- B. Prairie Meadows (Iowa) – No specific percentage this contract purse supplements for 1999 **16 Million**, 2000 **20 Million**
- C. Mountaineer Park (West Virginia) – 15% to horse purses 1999 estimate roughly **12.6 Million**
- D. Sunland Park (New Mexico) – 20% to horse purses, 25% to state just started. First 10 days of operation with 300 machines 12 hours per day allocated \$ **138,500** to the purse account. Based on a 365 day handle at this level it would apply **\$5,552,500.00** to purse account.