

MINUTES OF THE SENATE FEDERAL AND STATE AFFAIRS COMMITTEE.

The meeting was called to order by Chairperson Senator Nancey Harrington at 10:30 a.m. on February 14, 2001 in Room 245-N of the Capitol.

All members were present.

Committee staff present: Russell Mills, Legislative Research Department
 Dennis Hodgins, Legislative Research Department
 Theresa Kiernan, Office of the Revisor
 Nikki Kraus, Committee Secretary

Conferees appearing before the committee: Senator Jim Barone
 Glen Thompson, Executive Director, Stand Up for Kansas
 Dwight Daniels, Kansas Thoroughbred Association
 Kevin Neuman
 Jim Edwards, Kansas Chamber of Commerce and Industry
 Charles Robinson, Pastor, First Congregational Church,
 Sabetha, KS
 David Segraves, Wichita State Student Body President
 Rebecca Rice, Kansas Clubs and Associates
 Jim DeHoff, Kansas AFL-CIO
 Bob Johannas, Kansas Bowling Properties
 Greg Youatt, Student Body President, Washburn University
 Jake Worcester, K-State Student Body

Others attending: See Attached List

Chairman Harrington continued the hearing on:

SB 156—Concerning racing and gaming; electronic gaming machines

Senator Jim Barone presented testimony in favor of the bill. (Attachment 1).

Russell Mills, Legislative Research Department, presented an explanation of the education portion of the bill and spending on education in other states. (Attachment 2).

Chairman Harrington stated that information had been provided to her which showed that in California, gambling funds which were targeted for education, were distributed so that seven cents for every dollar went toward most counties, but in poorer counties, it might be as low as two cents, so the distribution was unequal.

Glen Thompson, Executive Director, Stand Up for Kansas, presented testimony in opposition to the bill and expansion of gambling. (Attachment 3).

Dwight Daniels, Kansas Thoroughbred Association, presented testimony in favor of the bill. (Attachment 4). He stated that in a conversation with some people at a diner, they said that they would rather vote yes for slots than for an increase in their taxes. He stated that this bill would help agricultural areas because there is a great deal of money involved in racing and breeding.

Chairman Harrington called on Tracey Diel, Acting Director, Racing and Gaming Commission, to explain further about the conflicts in the past between the various racing parties over the introduction of slots to the tracks. Chairman Harrington stated that in the past that there had been a complaint at the Woodlands that there were some opposed to slot expansion and that now they are no longer able to maintain stalls for their horses

CONTINUATION SHEET

MINUTES OF THE SENATE FEDERAL AND STATE AFFAIRS COMMITTEE

February 14, 2001

at the Woodlands. Mr. Diel stated that this issue arose last September at the Racing and Gaming Commission. He stated that his predecessor was asked if there was a requirement in Kansas regulations for track owners to give stalls on the premises to people who wanted to race or if it could be the track owners' decision because they were running short on stalls. Management stated that some individuals would not get stalls, however, the majority of those who were not offered stalls were those who had connections to those who did not want slots. The Commission resolved this so that they can race at the Woodlands, but they do not have stalls.

Kevin Neuman presented testimony in opposition to the bill. (Attachment 5). He stated that the racetracks should not be artificially supported, and that this was not an example of economic development, as was the development of the new NASCAR track.

Jim Edwards presented testimony in favor of the bill. (Attachment 6). He also presented a chart in favor of the bill. (Attachment 7).

Chairman Harrington stated that she noticed that on one part of the handout, Bruce Turner was listed as an affiliate and that he was also connected with the company GTECH, which ran the online gaming for the Kansas lottery. Mr. Edwards stated that he was not aware of that, but he hoped to get slots at the tracks.

Charles Robinson, Pastor, First Congregational Church, presented testimony in opposition to the bill. (Attachment 8).

David Segraves, Wichita Student Body President, presented testimony in favor of the bill. (Attachment 9). He also presented a document showing the support of others at the university. (Attachment 10).

Rebecca Rice, Kansas Clubs and Associates, presented testimony as an opponent of the bill. (Attachment 11). She stated that she was an opponent because slots would hurt the new shopping mall and NASCAR track which are scheduled to be built in the same area. She stated that slots leech off of other businesses and hurt them. Included in her testimony was the article "*Cabela's, Neb. Furniture Mart expand to KCK area*" February 10, 2001, *The Topeka Capital-Journal*, Section B.

Jim DeHoff, Kansas AFL-CIO, presented testimony in favor of the bill. (Attachment 12).

Bob Johannes, Kansas Bowling Properties, presented testimony in opposition to the bill. (Attachment 13).

Greg Youatt, Student Body President, Washburn University, presented testimony in favor of the bill. (Attachment 14).

In response to questions from Senator Gilstrap, Kevin Neuman stated that he was a private citizen who was not being paid to lobby in opposition to the bill and that he worked for a healthcare distribution company in Overland Park. He stated that he thought that slot machines are not good and that he believed that he would be opposed to slots in other places as well as in parimutuel facilities.

Senator Gilstrap then stated that Glenn Thompson had said in his testimony that people were not for slots back in 1996 but that in a non-binding vote in Wyandott county in 1997, the results had been 85% to 15% in favor of allowing gaming in Wyandott County. Senator Gilstrap asked Mr. Thompson if he thought that was a good sample for the whole state, and Mr. Thompson said no. Senator Gilstrap then asked Mr. Thompson how many states were in the casino business, and Mr. Thompson replied that he had no idea. Senator Gilstrap asked Senator Steineger if Mr. Thompson's percentages were accurate in his testimony, and Senator Steineger stated that when that bill was drafted, the percentages would have been the same as in Missouri for the state and county, and that means 18% for the state and 2% for the host county, so he was not sure from where Mr. Thompson's numbers came.

Jake Worcester, K-State Student Body, presented testimony in favor of the bill. (Attachment 15). He stated that, like the other students who had spoken, he supported the bill because of the money from it which would go toward technology advancements in schools and universities.

CONTINUATION SHEET
MINUTES OF THE SENATE FEDERAL AND STATE AFFAIRS COMMITTEE
February 14, 2001

Senator Gooch asked the three students what they thought about gambling in relation to the bill. Mr. Worcester stated that he did not care about gambling itself, but that he was interested in funding for technology. Mr. Youatt stated that he did not have an objection to gambling but more to alcohol and was also interested in technology investment. Mr. Seagraves stated that credit card spending was much more of a problem for students than gambling, but if the government of Kansas hoped for economic development, then it would be necessary to increase that technology available in education and thereby to industry.

The meeting adjourned at 12:03 p.m. The next meeting is scheduled for 10:30 a.m., February 15, 2001.

**SENATE FEDERAL AND STATE AFFAIRS COMMITTEE
GUEST LIST**

DATE: February 14, 2001

NAME	REPRESENTING
John M. Lee	Ruffin Co's
George Wurgert	Ruffin Company
Glenn Thompson	Stand Up For Ks.
Charles J. Robinson	Church of SAQETHA
Jim Edwards	KCCF
Tom Hoffa	Kansas Lottery
Patricia Skerley	GTECH
Marsha D. Truhm	CWA of Ks.
Rain Neuman	Private Citizen of Kansas
Sherry Neuman	Kansas Citizen
Bettie Thompson	—
Charles M. Yunker	The American Legion, Dept of Kansas AS
Rebecca P.	Ks Clubs & Associates
Keith Kocher	Ks Lottery
Bob Johannes	Ks Bowling PROPRIETORS ASSN.
Doug McKinney	NCRPC NCKCN.com Mitchell Co. Leadership
Doug Gerber	City of Beloit
KENNETH HURBLEY	city HAYS + KTA
Dwight Daniels	K.T.A. Beloit, Ks.

**Testimony of Sen. Jim Barone
before Federal & State Affairs Committee
Wednesday, February 14, 2001
Senate Bill 156**

Thank you.

Attached are resolutions from many of the people whom I represent in southeast Kansas. The resolutions are from Crawford County, the City of Pittsburg, the City of Frontenac, and the Pittsburg Area Chamber of Commerce. All of the resolutions in essence say the same thing: Let us have a local option vote on expanded gaming and let us decide locally who, i.e., which groups, should be included and at what locations.

Madam Chairman and Members of the Committee, I believe that this is simply the ultimate of a local option decision. Let the local people, who are in the best position to decide what they want for their community, make these choices and decisions.

I would also recommend that any expanded gaming treat all parties fairly. To me, all parties include the citizens of Kansas, the operators of gaming, the citizens who choose to participate, and the beneficiaries of any gaming proceeds. For example, I believe we should not create a monopoly for the gaming operators, and I also believe they should be treated fairly based on what other states around the nation are doing. Naturally the taxpayers must be included in this formula, and any other beneficiaries such as education or economic development activities should be treated fairly and consistently with other areas of economic development.

Thanks for your attention. I appreciate the opportunity to appear before you.

Senate Fed + State
2-14-01
Attachment 1-1

BOARD OF COUNTY COMMISSIONERS
CRAWFORD COUNTY COURTHOUSE
GIRARD, KANSAS

RESOLUTION 2001-102

A RESOLUTION EXPRESSING SUPPORT FOR RENEWAL OF THE KANSAS LOTTERY AND A LOCAL REFERENDUM ON EXPANDED GAMING IN KANSAS.

WHEREAS, in 2001 the Kansas Legislature will address the issue of renewal of the Kansas Lottery and related gaming topics; and

WHEREAS, the Board of County Commissioners feels that the residents of the State of Kansas and more specifically Crawford County should have the option of voting on gaming issues; and

WHEREAS, the Board of County Commissioners believes very strongly that local residents should be given the option to express their opinion at the ballot box however at the same time expresses no position as to the desirability of expanded gaming in the State; and

WHEREAS, the Board of County Commissioners recognizes that considerable amounts of revenue are lost to neighboring states each year because of expanded gaming opportunities in those states.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Crawford County, Kansas:


Section 1: The Board of County Commissioners of Crawford County, Kansas hereby expresses its support for the renewal of the Kansas Lottery with the addition of a local referendum on the subject of gaming in Crawford County.

Section 2: That said gaming referendum should allow for the greatest flexibility to allow voters a choice of what types of gaming should be allowed, places gaming should be permitted, and the local use of a fair share of tax revenues associated with expanded gaming.

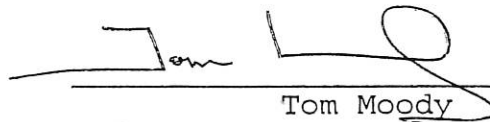
Section 3: That the County Clerk is directed to send a

copy of this Resolution to the Governor and State legislators as appropriate.

ADOPTED, APPROVED AND GIVEN, by the Board of County Commissioners of Crawford County, Kansas under our hands at the Courthouse in Girard, Crawford County, Kansas this 5th day of January, 2001.



Bob Kmiec, Chairman




Tom Moody



Anthony Pichler

ATTEST:



Kevin Anselmi, County Clerk

RESOLUTION

A RESOLUTION EXPRESSING THE SUPPORT OF THE CITY OF PITTSBURG FOR RENEWAL OF THE KANSAS LOTTERY AND SUPPORT FOR A LOCAL REFERENDUM ON EXPANDED GAMING IN KANSAS.

WHEREAS, the 2001 Kansas Legislature is faced with addressing renewal of the Kansas Lottery, and;

WHEREAS, the Governing Body of the City of Pittsburg, Kansas, believes the residents of the State of Kansas should have the opportunity to vote on expanded gaming issues on a county-wide basis, and;

WHEREAS, considerable amounts of revenue are lost to neighboring states each year and this amount can only increase with failure to reauthorize the Kansas Lottery, as well as failure to allow a local vote on expanded gaming.

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of the City of Pittsburg, Kansas:

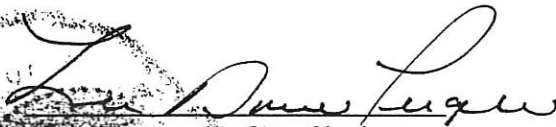
1. That the Governing Body supports the renewal of the Kansas Lottery.
2. That the Governing Body supports allowing the voters a choice concerning types and amounts of gaming permitted on a county-wide basis, with local use of a fair share of tax revenues earned through expanded gaming.
3. That the Governing Body directs copies of the Resolution be forwarded to the Kansas Governor and other State Legislators as appropriate.

APPROVED AND ADOPTED by the Governing Body of the City of Pittsburg, Kansas, this 23rd day of January 2001.

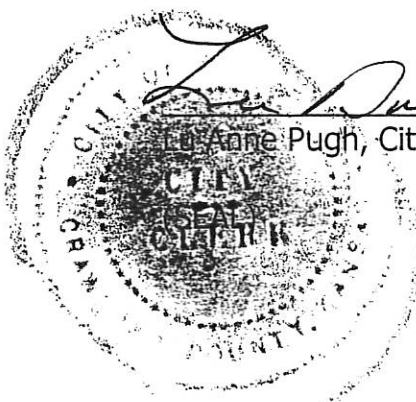


Ralph McGeorge, Mayor

ATTEST:



Anne Pugh, City Clerk



Resolution No. 201-01

A RESOLUTION EXPRESSING SUPPORT FOR THE RENEWAL OF THE KANSAS LOTTERY AND A LOCAL REFERENDUM ON EXPANDED GAMING IN THE STATE OF KANSAS.

WHEREAS, in 2001 the Kansas Legislature will address the issue of renewing the Kansas Lottery and related gaming topics; and

WHEREAS, the Frontenac City Council believes the residents of the State of Kansas, specifically Crawford County constituents, should have the option of voting on gaming issues and the governing body does not seek to express a position as to expanded gaming by this resolution; and

WHEREAS, the Frontenac City Council feels strongly that local residents should be provided the option to express their opinion at the voting booth; and

WHEREAS, the Frontenac City Council is cognizant of the fact that revenues are lost to neighboring states each year because of the expanded gaming opportunities that exist in those states; and

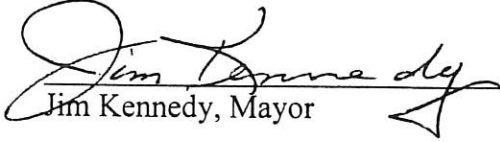
NOW, THEREFORE, BE IT RESOLVED by the City Council of Frontenac, Crawford County, Kansas:

Section 1. The governing body of the City of Frontenac, Kansas, hereby expressed its support for the renewal and continuation of the Kansas Lottery with the addition of a local referendum on the subject of gaming in Crawford County, Kansas.

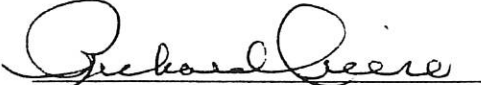
Section 2. That said gaming referendum should allow voters a choice of what types of gaming should be permitted, places gaming should be allowed and the local use of a fair share of tax revenues associated with expanded gaming.

Section 3. That the City Clerk is hereby directed to forward a copy of this Resolution to the Governor of the State of Kansas, as well as, the legislative body of the State of Kansas.

ADOPTED AND APPROVED, by the City Council of Frontenac, Crawford County, Kansas, on this 16th day of January 2001.


Jim Kennedy, Mayor

Attest:


Richard Cicero, City Clerk

(Seal)



Electronic Games of Chance

Position Statement
Pittsburg Area Chamber of Commerce
Adopted December 7, 2000
Ratified December 11, 2000

The Government Review Council and Board of Directors of the Pittsburg Area Chamber of Commerce support legislation that will allow for local referendum (local being defined as county-wide) to decide whether electronic games of chance should be allowed in the State of Kansas. Locations should include but not necessarily be limited to the parimutuel licensee locations in Kansas.

Additionally, we oppose all legislation to allow electronic games of chance without local referendum.

**Expenditures per Pupil in Public Elementary and
Secondary Schools in 2000**
National Average = \$6,585 per Pupil*

ALPHA ORDER			RANK ORDER		
RANK	STATE	PER PUPIL	RANK	STATE	PER PUPIL
45	Alabama	\$5,010	1	New Jersey	\$9,963
4	Alaska	8,717	2	Connecticut	9,872
49	Arizona	4,754	3	New York	9,146
47	Arkansas	4,864	4	Alaska	8,717
36	California	5,832	5	Rhode Island	8,315
37	Colorado	5,823	6	Massachusetts	8,284
2	Connecticut	9,872	7	West Virginia	8,114
10	Delaware	7,666	8	Pennsylvania	8,045
38	Florida	5,737	9	Wisconsin	7,894
35	Georgia	5,835	10	Delaware	7,666
26	Hawaii	6,193	11	Minnesota	7,585
46	Idaho	4,878	12	Wyoming	7,356
31	Illinois	6,075	13	Vermont	7,309
17	Indiana	7,048	14	Maryland	7,297
24	Iowa	6,485	15	Michigan	7,269
27	Kansas	6,185	16	Oregon	7,069
22	Kentucky	6,539	17	Indiana	7,048
30	Louisiana	6,088	18	Maine	6,937
18	Maine	6,937	19	New Hampshire	6,932
14	Maryland	7,297	20	Virginia	6,913
6	Massachusetts	8,284	21	Ohio	6,554
15	Michigan	7,269	22	Kentucky	6,539
11	Minnesota	7,585	23	Washington	6,514
48	Mississippi	4,827	24	Iowa	6,485
39	Missouri	5,655	25	Montana	6,209
25	Montana	6,209	26	Hawaii	6,193
28	Nebraska	6,156	27	Kansas	6,185
40	Nevada	5,597	28	Nebraska	6,156
19	New Hampshire	6,932	29	South Carolina	6,092
1	New Jersey	9,963	30	Louisiana	6,088
33	New Mexico	5,895	31	Illinois	6,075
3	New York	9,146	32	North Dakota	5,949
42	North Carolina	5,431	33	New Mexico	5,895
32	North Dakota	5,949	34	Texas	5,870
21	Ohio	6,554	35	Georgia	5,835
41	Oklahoma	5,533	36	California	5,832
16	Oregon	7,069	37	Colorado	5,823
8	Pennsylvania	8,045	38	Florida	5,737
5	Rhode Island	8,315	39	Missouri	5,655
29	South Carolina	6,092	40	Nevada	5,597
43	South Dakota	5,417	41	Oklahoma	5,533
44	Tennessee	5,282	42	North Carolina	5,431
34	Texas	5,870	43	South Dakota	5,417
50	Utah	3,991	44	Tennessee	5,282
13	Vermont	7,309	45	Alabama	5,010
20	Virginia	6,913	46	Idaho	4,878
23	Washington	6,514	47	Arkansas	4,864
7	West Virginia	8,114	48	Mississippi	4,827
9	Wisconsin	7,894	49	Arizona	4,754
12	Wyoming	7,356	50	Utah	3,991
				District of Columbia	8,672

Source: U.S. Department of Education, National Center for Education Statistics

"Early Estimates of Public Elementary and Secondary Education Statistics: School Year 1999-2000" (NCES 2000-364)

*For school year 1999-2000. Based on enrollment, not average daily attendance.

Senate Fed + State
2-14-01
Attachment 2-1

**Per Capita Expenditures for Public Elementary and
Secondary Education in 1998**
National Per Capita = \$1,056*

<u>ALPHA ORDER</u>			<u>RANK ORDER</u>		
<u>RANK</u>	<u>STATE</u>	<u>PER CAPITA</u>	<u>RANK</u>	<u>STATE</u>	<u>PER CAPITA</u>
47	Alabama	\$835	1	Alaska	\$1,776
1	Alaska	1,776	2	New Jersey	1,489
49	Arizona	801	3	Connecticut	1,456
46	Arkansas	847	4	New York	1,395
29	California	1,002	5	Vermont	1,270
31	Colorado	979	6	Wyoming	1,258
3	Connecticut	1,456	7	Rhode Island	1,231
14	Delaware	1,116	8	Michigan	1,222
45	Florida	854	9	Wisconsin	1,203
27	Georgia	1,018	10	Massachusetts	1,201
36	Hawaii	934	11	Minnesota	1,154
35	Idaho	937	12	Maine	1,149
25	Illinois	1,033	13	Maryland	1,139
19	Indiana	1,055	14	Delaware	1,116
22	Iowa	1,050	15	Pennsylvania	1,090
28	Kansas	1,017	16	Texas	1,075
43	Kentucky	887	17	Oregon	1,059
38	Louisiana	924	18	Montana	1,056
12	Maine	1,149	19	Indiana	1,055
13	Maryland	1,139	20	Washington	1,053
10	Massachusetts	1,201	21	West Virginia	1,052
8	Michigan	1,222	22	Iowa	1,050
11	Minnesota	1,154	22	Nebraska	1,050
50	Mississippi	787	24	New Hampshire	1,047
37	Missouri	932	25	Illinois	1,033
18	Montana	1,056	26	Ohio	1,019
22	Nebraska	1,050	27	Georgia	1,018
42	Nevada	901	28	Kansas	1,017 ✓
24	New Hampshire	1,047	29	California	1,002
2	New Jersey	1,489	30	Virginia	993
32	New Mexico	958	31	Colorado	979
4	New York	1,395	32	New Mexico	958
44	North Carolina	861	33	North Dakota	940
33	North Dakota	940	33	Oklahoma	940
26	Ohio	1,019	35	Idaho	937
33	Oklahoma	940	36	Hawaii	934
17	Oregon	1,059	37	Missouri	932
15	Pennsylvania	1,090	38	Louisiana	924
7	Rhode Island	1,231	39	South Carolina	913
39	South Carolina	913	40	Utah	912
41	South Dakota	910	41	South Dakota	910
48	Tennessee	812	42	Nevada	901
16	Texas	1,075	43	Kentucky	887
40	Utah	912	44	North Carolina	861
5	Vermont	1,270	45	Florida	854
30	Virginia	993	46	Arkansas	847
20	Washington	1,053	47	Alabama	835
21	West Virginia	1,052	48	Tennessee	812
9	Wisconsin	1,203	49	Arizona	801
6	Wyoming	1,258	50	Mississippi	787
				District of Columbia	1,241

Source: Morgan Quitno Press using data from U.S. Department of Education, National Center for Education Statistics
"Revenues and Expenditures for Public Elementary and Secondary Education: School Year 1997-98" (NCES 2000-348)
*School year 1997-1998. Current expenditures. These are for day-to-day operations of schools. They include all expenditures except those associated with repaying debts, capital outlays and programs outside the scope of preschool to grade 12. Expenditures for items lasting more than one year are not included in current expenditures.



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

**Testimony To Senate Federal and State Affairs Committee
on Senate Bill 156**

by
Glenn O. Thompson
Executive Director, Stand Up For Kansas
February 14, 2001

Introduction

Good morning Chair Harrington and other members of this committee. Thank you for this opportunity to speak at this public hearing. I am speaking today on behalf of Stand Up For Kansas, a state-wide coalition of grassroots citizens who oppose the expansion of gambling in Kansas. **We urge you to vote NO on SB 156.**

In 1999, a similar bill, **SB 329**, was defeated soundly by the senate by a vote of 13 to 27. Last year, a similar bill, **SB 667**, passed out of this committee but was not brought up for debate on general orders because of lack of support by a large majority of senators.

Senate Bill 156 is identical to these 1999 and 2000 bills in all key areas except one – disbursement of net machine income. The table below shows the differences in the three bills.

	<u>1999 SB 329</u>	<u>2000 SB 667</u>	<u>2001 SB 156</u>
Racetracks, Organization Licensees & Purses	85.0 %	77.0 %	78.75 %
State government	14.0 %	21.5 %	21.25 %
Local governments (county & city)	<u>1.0 %</u>	<u>1.5 %</u>	<u>0.00 %</u>
Total	100.0 %	100.0 %	100.00 %

When compared to last year's bill, SB 156 would increase the percent for the tracks, organization licensees and purses from 77.0 % to 78.75 %. The percent for state government would be reduced from 21.5 % to 21.25 %, and funding for local governments would be reduced to zero.

Now, I would like to briefly discuss why similar bills were defeated in 1999 and 2000, and why you should oppose this bill.

1. *SB 156 would put the state in the casino business*

Kansas citizens did not intentionally authorize the state to own and operate casinos when they voted for the lottery constitutional amendment in 1986. In fact, the first indication that the lottery amendment included casino gambling was in an Attorney General opinion in 1987, three months after the state-wide referendum in 1986. Former 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)

2. *SB 156 would destroy thousands of individuals and families through gambling addictions*

"Instant gratification" machines, such as casino slot machines and video poker machines, are the most addictive form of gambling and are often called the "crack cocaine of gambling."

Senate Fed + State
2-14-01
Attachment 3-1

Last week, you heard Denise Fiehler, a compulsive gambler, say that **in 1999 she lost about \$290,000 in slot machines, some of which was money she embezzled from her employer.**

A casino in Sedgwick County would cause over 9,000 people (1.5% of the population living within a 50 mile radius) to become pathological gamblers, just like Denise, based on research studies in other states with casinos. Further, these 9,000 pathological gamblers would cost Kansas citizens at least \$81 million annually (\$9,000 each) for theft, fraud, embezzlement, absenteeism, addiction recovery, increased insurance rates, additional law enforcement, judicial and incarceration costs!

Similar problems and costs would occur in the areas surrounding the racetracks in Wyandotte and Crawford counties.

3. The casinos would create little, if any, economic development for the state

The proposed racetrack casinos would be convenience casinos, not destination casinos. Over 80 % of the revenues would come from citizens living within a 50 mile radius of each casino. Further, these casinos would pull approximately \$250 million in revenues from the surrounding areas. **And, \$50 million or more of this revenue would probably leave the state as profits in the pockets of the owners.**

For example, the Prairie Meadows racetrack casino, east of Des Moines, Iowa, made enough profit during the first 20 months of operation to pay off a \$90 million debt. The general manager stated to a Kansas legislative committee that 80 % of the revenues came from gamblers living within a 50 mile radius.

In 1990 the Illinois state legislature authorized riverboat gambling to assist economic development and promote tourism. A 1996 study to determine if this objective was achieved concluded **"It is clear ... that casino gambling ... has been a dismal failure in promoting tourism and economic development."** The study showed that 84% of gamblers are from Illinois, 85 % live within 50 miles of the casino and only 4.6 % travel more than 100 miles. (See attached Casino Alert newsletter).

4. Casino referendums would be of little value

Proponents argue "Let the people vote." But, grassroots citizens opposing casinos would have little chance of defeating millionaire racetrack owners, willing to spend millions of dollars on pro-casino advertising.

Further, SB 156 would only let the people vote who live in counties where racetracks would be located; citizens in the other 102 counties would not get to vote. Citizens in other surrounding counties within 50 to 100 miles radius of a racetrack casino would reap the social and economic destruction of the casinos without representation in a referendum.

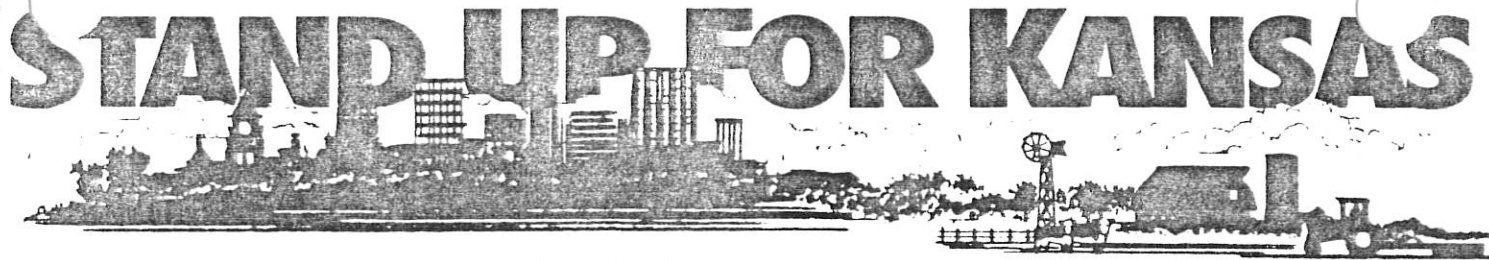
If a casino referendum failed in a county, SB 156 would permit another referendum in two years. So, millionaire racetrack owners with deep pockets would continue to initiate referendums every two years until they would finally grind down citizen opponents, as they have done in other states.

5. SB 156 would create a slippery slope with no return

If SB 156 is approved, there would be no turning back. Once started, where would you stop? 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. In future years, what would be your answer to the long line of investors who would want to build racetracks and casinos in other counties? What would be your answer to other industries, such as bars, that would want casino machines to compete with racetracks? Once you open the door, it would be extremely difficult to close.

Conclusion

In conclusion, SB 156, like the casino racetrack bills of the past two years, is a bad bill. It still has the problems of previous bills that were rejected. We urge you to oppose SB 156.



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

Casino Alert

A Newsletter for Kansas Legislators

February 7, 2001

Illinois riverboat casinos a “dismal failure in promoting tourism and economic development”

First in a series on Illinois riverboat casinos: Tourism and economic development

In 1990, the Illinois state legislature enacted the Riverboat Gambling Act, that states:

“This Act is intended to benefit the people of the State of Illinois by assisting economic development and promoting Illinois tourism. Authorization of riverboat gambling will enhance investment, development and tourism in Illinois...”¹

Have the casino riverboats achieved this objective?

In 1996, the Chicago Better Government Association (BGA) initiated two research studies to answer this question.^{1,2} The studies were conducted by Professors William N. Thompson and Ricardo C. Gaxel of the University of Nevada Las Vegas and were similar to a study Thompson and Gaxel conducted earlier on Indian gaming in Wisconsin.²

Upon completion of the first study, the BGA Executive Director stated to the press:

“We do know that gambling has been a huge commercial success. Casino owners in Illinois, without any doubt, have been the biggest winners. ... But the intent of the Illinois gambling policy is not to legalize casino gambling for the sole purpose of making a few privileged individuals incredibly rich. It is to enhance the economic life of aging river towns and to be a catalyst spreading new wealth throughout the economy.”²

With respect to tourism, “results of the field study show that riverboats have failed to create new tourism. By almost any definition of a tourist this is true. The evidence is overwhelming and conclusive:

- 84% of gamblers are from Illinois while only 16% are from out-of-state
- 85 percent of people who gamble in Illinois live within 50 miles of the casino
- Over one half the out-of-state players live within 50 miles
- Only 4.6 percent travel more than 100 miles
- 97.7 percent of all Illinois gamblers stay less than one day
- 9.2 percent of out-of-state visitors stay over night
- Less than 12 percent of out-of-state visitors stayed in either a hotel or motel”²

“The purchases that casino patrons made outside of the casino were minimal, and irrelevant to any discussion of economic impact. Out of 785 players interviewed, only one out-of-state visitor, that traveled over 100 miles, reported making a purchase in town. Only 3 percent of all out-of-state players spent money outside the casino.”²

“It is clear ... that casino gambling ... has been a dismal failure in promoting tourism and economic development.”¹

Sources: 1. “Economic Impact of Riverboat Casinos in Illinois,” Chicago BGA report, June 11, 1996

2. “Demographic survey of riverboat casino patrons in Illinois,” Chicago BGA report, April 26, 1996

For additional information, contact Glenn Thompson at 316-634-2674.

KANSAS THOROUGHBRED ASSOCIATION

**President**

Dwight Daniels
785-738-3749

Vice President

David Assmann
913-441-0148

Past President

Meredith Sloan
316-733-2020

Directors

Philip Burford
316-838-0861

Kelly Clark
316-855-2125

Albert Freeman
316-624-1564

Linda Gleason
316-227-8242

Kenneth Hurley
785-623-7089

R.G. Jordan
316-358-2790

John McCoy
913-441-4115

Robert W. McCoy
913-491-3381

Shane Prill
316-733-4216

Bob Schreiber
316-653-7691

Gary Smith
913-764-0416

Tommy Taylor
316-744-3870

John Watson
316-675-8375

Madam Chairman and Committee Members:

My name is Dwight Daniels. I am from Beloit Kansas, a small agricultural community in north central Kansas, approximately 45 miles south of the Nebraska line. I am a Kansas tax-paying resident deeply interested in the financial stability of my community and of my state, and I am also the current Kansas Thoroughbred Association president.

Perhaps the best way for me to begin this testimony is to relay to you a recent incident that happened to me in Beloit. Almost every Saturday morning, after I have finished my farm chores, I stop by a local convenience store and have a cup of coffee with several other local residents. There are usually eight or nine of us, sitting around several small tables drinking coffee and reading the local and state newspapers lying on the tables. It seems like, recently, that almost every paper has at least one article about the state's shortfall of operating funds. The coffee drinkers were three farmers, a car salesman, a school teacher, a school bus driver and two retired businessmen and me. Before we were finished drinking coffee, almost every one of them was talking about the shortage and what would probably have to happen to make up the projected shortfall. The feelings, in general, were "Get ready for an increase in taxes!" One individual mentioned that maybe the state would decrease spending in some areas to fund other areas – that idea didn't get too far in the discussion. The overwhelming consensus was "an increase in taxes."

Finally I just had to put in my "2 cents worth." I told them that I thought there was another alternative to an increase in taxes to help raise the money needed by the state. I told them that Senator Chris Steineger had introduced S.B. #156 and H.B. #2183

George L. Smith, **Executive Director**
215 Monroe, Fredonia, Kansas 66736 • 316-378-4772

Senate Fed + State
2-14-01
Attachment 4-1

KANSAS THOROUGHBRED ASSOCIATION

**President**

Dwight Daniels
785-738-3749

Vice President

David Assmann
913-441-0148

Past President

Meredith Sloan
316-733-2020

Directors

Philip Burford
316-838-0861

Kelly Clark
316-855-2125

Albert Freeman
316-624-1564

Linda Gleason
316-227-8242

Kenneth Hurley
785-623-7089

R.G. Jordan
316-358-2790

John McCoy
913-441-4115

Robert W. McCoy
913-491-3381

Shane Prill
316-733-4216

Bob Schreiber
316-653-7691

Gary Smith
913-764-0416

Tommy Taylor
316-744-3870

John Watson
316-675-8375

that would allow voters in 3 counties, Wyandotte, Sedgewick and Crawford, - counties with existing pari-mutual facilities - the ability to vote on the approval of slots in a county-wide vote. If this bill is approved, it is estimated that the slot machines to be located at the present pari-mutual facilities, could generate over \$50 million dollars for the state and our school systems.

I said "I look at it this way, passage of the slots bill could be considered a vote against increased taxes. And to my way of thinking, it would be a vote of support to areas like Beloit, deeply rooted in agriculture and horse racing is a part of agriculture in the state."

The agriculture Impact figures that we have available come from a study done in the 1990's by Racing Resource Group, Inc. and reviewed by Anthony L. Redwood professor of business at the University of Kansas. The figures show that the pari-mutual racing breeding industry contributes an estimated \$222 million each year to the economy of Kansas.

That \$222 million in annual impact is derived from

\$96.6 million in direct output (expenditures) which when it moves through the Kansas economy, produces a total impact some 2.3 times greater, or \$222 million dollars each year and provides over 3800 jobs each year.

Kansas race horses number an estimated 21,000 owned and located in Kansas, of these, approximately 4300 are in the Kansas Bred program, with the 21,000 horses having a total value of over \$73 million.

George L. Smith, **Executive Director**
215 Monroe, Fredonia, Kansas 66736 • 316-378-4772

KANSAS THOROUGHBRED ASSOCIATION

**President**

Dwight Daniels
785-738-3749

Vice President

David Assmann
913-441-0148

Past President

Meredith Sloan
316-733-2020

Directors

Philip Burford
316-838-0861

Kelly Clark
316-855-2125

Albert Freeman
316-624-1564

Linda Gleason
316-227-8242

Kenneth Hurley
785-623-7089

R.G. Jordan
316-358-2790

John McCoy
913-441-4115

Robert W. McCoy
913-491-3381

Shane Prill
316-733-4216

Bob Schreiber
316-653-7691

Gary Smith
913-764-0416

Tommy Taylor
316-744-3870

John Watson
316-675-8375

Kansas race horse related property such as real estate, barns, paddocks, fences, trailers, tractors, farm equipment, pickups, truck and related vehicles having a total property value of OVER \$475 million dollars

Kansas horse racing expenditures, consisting of labor, grain, hay, veterinary supplies and services, feed supplements, farriers, insurance and utilities having a total annual cash expenditure of over \$36 million dollars.

Kansas horse racing total job impact, direct and indirect, and the impact on local incomes and employment are of vital importance to the state.

The loss of jobs in Kansas and the loss of the racing industry as a whole would not happen overnight, but there will be a gradual decline in racing-bred animals, a slow death to the Kansas racing industry and very possibly the loss of 3800 jobs centered around the racing industry and a \$222 million dollar a year economic loss. This loss could be compared to the closing of, say, the Con-Agra Plant in Garden City.

Kansas horse racing's future viability is very important to the state of Kansas. Let's try to keep our dollars in Kansas.

We must do everything we can to keep the jobs in Kansas; keep the racing industry in Kansas; keep the slots revenue in Kansas.

Thank you.

Dwight Daniels

George L. Smith, Executive Director
215 Monroe, Fredonia, Kansas 66736 • 316-378-4772

KANSAS THOROUGHBRED ASSOCIATION



KANSAS HORSEMEN'S ASSOCIATION SURVEY

KANSAS RACE HORSES

21500 RACE HORSES OWNED AND LOCATED IN KANSAS:

4300 RACE HORSES IN KANSAS BRED PROGRAM VALUED AT \$5000.00 PER HORSE	\$21,500,00.00
17200 RACE HORSES NOT IN KANSAS BRED PROGRAM VALUED AT \$3000.00 PER HORSE	<u>\$51,600,000.00</u>
TOTAL VALUE OF KANSAS RACE HORSES (1)	\$73,100,000.00

KANSAS HORSE RACING PROPERTY VALUES

REAL ESTATE (VALUE OF ACERAGE PER HORSE \$9882.00 X 21,500)	\$208,163,000.00
BARNs & STABLES (VALUE PER HORSE \$3119 X 21,500)	\$ 67,058,500.00
PADDOCKS & FENCES (VALUE PER HORSE \$2076 X 21,500)	\$ 44,634,000.00
TRAILERS (VALUE PER HORSE \$1627 X 21,500)	\$ 34,980,500.00
TRACTORS & FARM EQUIPMENT (VALUE PER HORSE \$312 X 21,500)	\$ 6,708,000.00
TRUCKS & RELATED VEHICLES (VALUE PER HORSE \$5240 X 21,500)	<u>\$112,660,000.00</u>
TOTAL PROPERTY VALUE (2)	\$474,204,000.00

ANNUAL KANSAS HORSE RACING EXPENDITURES

LABOR (\$268 PER HORSE X 21,500)	\$ 5,762,000.00
GRAIN (\$259 PER HORSE X 21,500)	\$ 5,439,000.00
HAY (\$318 PER HORSE X 21,500)	\$ 6,837,000.00
VET SUPPLY (\$115 PER HORSE X 21,500)	\$ 2,472,500.00
VET SERVICES (\$126 PER HORSE X 21,500)	\$ 2,709,000.00
FEED SUPPLEMENTS & VITAMINS (\$75 PER HORSE X 21,500)	\$ 1,612,500.00
FARRIER (\$200 PER HORSE X 21,500)	\$ 4,300,000.00
INSURANCE (\$212 PER HORSE X 21,500)	\$ 4,558,000.00
UTILITIES (\$124 PER HORSE X 21,500)	<u>\$ 2,666,000.00</u>
TOTAL ANNUAL CASH EXPENDITURE (2)	\$36,536,000.00

President

Dwight Daniels
785-738-3749

Vice President

David Assmann
913-441-0148

Past President

Meredith Sloan
316-733-2020

Directors

Philip Burford
316-838-0861

Kelly Clark
316-855-2125

Albert Freeman
316-624-1564

Linda Gleason
316-227-8242

Kenneth Hurley
785-623-7089

R.G. Jordan
316-358-2790

John McCoy
913-441-4115

Robert W. McCoy
913-491-3381

Shane Prill
316-733-4216

Bob Schreiber
316-653-7691

Gary Smith
913-764-0416

Tommy Taylor
316-744-3870

John Watson
316-675-8375

George L. Smith, Executive Director
215 Monroe, Fredonia, Kansas 66736 • 316-378-4772

Testimony to Senate Federal and State Affairs Committee

on

Senate Bill 156

By

Kevin G. Neuman

Kansas citizen

February 14, 2001

Introduction

Senator Harrington and other committee members, I am Kevin Neuman and I am opposed to Senate Bill 156. I am not a paid lobbyist, nor do I represent a for profit special interest group; I am simply a grass root Kansan.

As such, I admittedly do not have the resources or wherewithal to compete with the special interests that support Senate Bill 156, but I think there are several compelling reasons to oppose the bill and I appreciate the opportunity to present them to you.

1. Why bail out the tracks?

With all due respect to the authors of Senate Bill 156, the goal of this legislation is more to save the pari-mutuel racetracks than it is to provide increased revenue for the state of Kansas. And I believe that most Kansans, like myself, do not appreciate a special interests group like the racing industry being bailed out and supported by state legislation which is somehow justified, they believe, because demand for their product or services has dramatically decreased. In February of 1985, proponents of the at that time proposed Kansas constitutional amendment that eventually legalized pari-mutuel gambling in Kansas used the argument that 38 states, not counting Kansas, had pari-mutuel gambling. Today, counting Kansas, the number of states with legalized Greyhound racing has shrunk to only 15 – even Nevada has outlawed dog racing. At the same time, the total U.S. attendance at tracks has plummeted – by 25% between 1991 and 1995 alone – and that trend has been mirrored in Kansas. (Please see Attachment 1.) According to the August 1998 issue of *International Gaming and Wagering Business* magazine the amount of money wagered (the handle) on live racing nationally dropped 54% from 1993 to 1997.

2. Economic implications

In 1986, public officials promoting pari-mutuel's passage predicted Kansas tax revenues would be \$47 million per year – in 1986 dollars, not those of 2001, which would be significantly more. The current reality, however, is contained in the Kansas Legislative Post Audit Financial and Compliance Audit Report of the Kansas Racing and Gaming Commission (please see Attachment 2) for fiscal year 1999 which actually showed disbursements exceeding receipts by \$319, 761. Since history is the only reliable source of future expectations, the current predictions of the economic value to Kansas of Senate Bill 156 should be viewed with skepticism. And those who blame the declining attendance at dog racing tracks in Kansas to casino gambling need to face historical fact: attendance at the Woodlands has declined every year since the doors opened in 1989, five years before the first casino opened in Missouri, ironically by the current operators of the Woodlands – who would receive over 70% of the profits, if any, generated by SB156. People stopped going to dog races in Kansas long before the casinos opened because they didn't like the so-called sport, not because they went to play slots at the casinos.

3. 1999 National Gambling Impact Study Commission

Kansas residents have made a significant statement with their feet and pocketbooks: they do not support racing and tracks should not be artificially supported. The 1999 National Gambling Impact Study Commission agrees and states in Recommendation 3-12:

"The Commission recommends that states should refuse to allow the introduction of casino-style gambling into pari-mutuel facilities for the primary purpose of saving a pari-mutuel facility that the market has determined no longer serves the community or for the purpose of competing with other forms of gambling."

The racetracks clearly want slots in order to save themselves by hoping to compete with other forms of gambling; **exactly what the Commission recommends should be refused.**

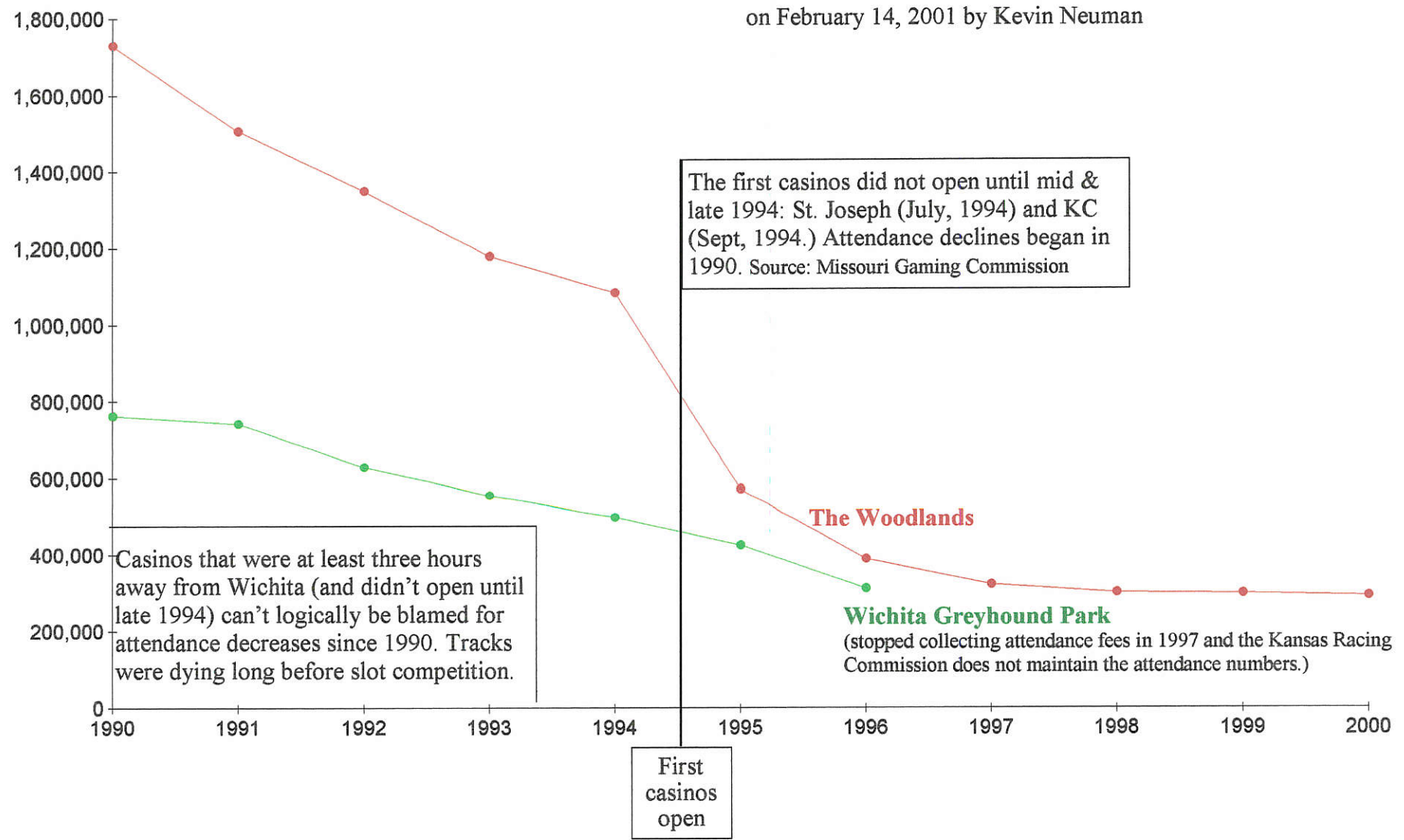
Summary

Last Thursday Wyandotte County officials announced that five significant business enterprises have plans to open in the new Kansas NASCAR Speedway district. This is true economic development and great for Wyandotte County and all Kansans. But Kansas voters have not approved casino gambling and to support a dying industry by allowing slots at pari-mutuel tracks is just not right. Please direct the resources of Kansas and Kansans to an exciting future, not to bail out an industry that only the special interest groups want to keep alive.

Thank you again for the opportunity to express my opposition to Senate Bill 156.

Attendance figures source:
↓ Kansas Racing and Gaming Commission

Attachment 1 from testimony to
Kansas Senate Federal and State Affairs Committee
on February 14, 2001 by Kevin Neuman



Red indicates attendance at the Woodlands
Green reflects attendance at Wichita Greyhound Park

Attachment 2 from testimony to
 Kansas Senate Federal and State Affairs Committee
 on February 14, 2001 by Kevin Neuman

KANSAS RACING AND GAMING COMMISSION
STATEMENT OF CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

5-4

	State Racing Fund	Horse Fair Racing Benefit Fund	Horse Breeding Development Fund	Racing Investigative Expense Fund	Greyhound Breeding Development Fund	Racing Reimbursable Expense Fund	Racing Applicant Deposit Fund	State Gaming Fund	Commission Total
Beginning Balance on July 1, 1998	\$ 269,357	\$ 289,102	\$ 90,888	\$ 19,892	\$ 362,874	\$ 180,868	\$ 671	\$ 1,152,375	\$ 2,366,027
Prior Period Adjustments: (Note 5)									
Disencumber Balances	30,787	500	0	0	0	1,200	0	45,099	77,586
Receipts:									
Revenues	3,531,206	805,406	449,548	18,850	392,549	34,153	36	861,539	6,093,287
General Fund Transfer	0	0	0	0	0	0	0	450,000	450,000
Horse Fair Fund Transfer	60,557	0	0	0	0	0	0	0	60,557
Disbursements:									
Operating Expenditures	(2,792,912)	(663,991)	(438,560)	(18,850)	(353,102)	(36,134)	0	(1,052,140)	(5,355,689)
Gaming Fund Transfer	(646,697)	0	0	0	0	0	0	0	(646,697)
General Fund Transfer	0	0	0	0	0	(150,000)	0	(675,564)	(825,564)
Greyhound Tourism Fund Transfer	0	0	0	0	(112,684)	0	0	0	(112,684)
Racing Fund Transfer	0	(60,557)	0	0	0	0	0	0	(60,557)
Ending Fund Balance on June 30, 1999	<u>\$ 452,298</u>	<u>\$ 370,460</u>	<u>\$ 101,876</u>	<u>\$ 19,892</u>	<u>\$ 289,637</u>	<u>\$ 30,087</u>	<u>\$ 707</u>	<u>\$ 781,309</u>	<u>\$ 2,046,266</u>

The accompanying notes are an integral part of this financial statement.

Reprinted from page 5 of the Kansas Legislative Post Audit Financial and Compliance
 Audit Report of the Kansas Racing and Gaming Commission for fiscal year 1999

LEGISLATIVE TESTIMONY



The Unified Voice of Business

835 SW Topeka Blvd. • Topeka, KS 66612-1671 • 785-357-6321 • Fax: 785-357-4732 • E-mail: kcci@kansaschamber.org • www.kansaschamber.org

SB 156

February 13, 2001

KANSAS CHAMBER OF COMMERCE AND INDUSTRY

Testimony Before the

Senate Federal and State Affairs Committee

by

Jim Edwards
Senior Vice President

Chairwoman Harrington and members of the Committee:

I thank you for the opportunity to provide this testimony on SB 156, a measure which would allow for a county option vote for electronic games of chance to be played at state licensed pari-mutuel horse and dog racing facilities in Kansas.

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

KCCI is comprised of more than 2,000 businesses which includes 200 local and regional chambers of commerce and trade organizations which represent over 161,000 business men and women. The organization represents both large and small employers in Kansas, with 48% of KCCI's members having less than 25 employees, and 78% having less than 100 employees. KCCI receives no government funding.

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

First, let me clearly state KCCI's position as it relates to the issue of electronic games of chance. The Kansas Chamber of Commerce and Industry supports allowing pari-mutuel facilities in Kansas to operate electronic games of chance and has been on record with that position since 1995.

Senate Fed + State
2-14-01
Attachment 6-1.

position was originally adopted to allow the state licensed pari-mutuel facilities to operate on a level playing field with other electronic gaming interests in Kansas and in surrounding states and to help protect the existing dollars coming into the State Gaming Revenues Fund (SGRF) and then making their way into job creation and enhancement projects in the state.

Today, I stand before you in a bit different light. While we are here to support this issue we are doing it not to protect current funding sources but rather, just as KCCI did in 1985 and 1986 when we testified for the creation of lottery and pari-mutuel wagering, we are here to help create needed funding for educational technology as well as bolster transfers to the Economic Development Initiatives Fund. Just as the Legislature struggled with the issue of funding needed programs in the mid 1980's, you are met today with those same challenges.

We fully understand the prioritization of spending within the Kansas legislature. We also understand that the two issues listed above are often looked at by some as "luxuries" and not necessities. However, we do know that to fuel all other elements of the state you must have a technologically adept workforce and places to put them to work.

I appreciate the opportunity to present this testimony supporting SB 156 to you and would be happy to answer questions.

#1

<u>COUNTY</u>	<u>1986 PARIMUTUEL</u> <u>Y/N</u>	<u>1986 STATE</u> <u>LOTTERY</u> <u>Y/N</u>	<u>1995 INSTANT</u> <u>BINGO</u> <u>Y/N</u>	<u>\$ LOST TO</u> <u>MISSOURI</u> <u>(SALOMON</u> <u>BROS)</u>
1. Allen	2,783/2,263	2,955/2,052	2,017/1,300	1,143,681
2. Anderson	1,599/1,175	1,730/1,144	722/463	878,790
3. Atchison	3,317/2,097	3,373/1,570	1,660/1,000	2,434,199
4. Barber	1,312/1,110	1,297/1,076	890/605	
5. Barton	8,554/3,972	8,602/3,599	4,418/3,398	
6. Bourbon	2,595/2,649	2,965/2,197	1,830/1,271	1,196,668
7. Brown	2,034/2,181	2,148/1,993	1,611/1,134	1,488,949
8. Butler	9,272/7,061	8,771/6,099	4,007/3,230	
9. Chase	773/528	745/564	529/314	140,551
10. Chautauqua	806/705	807/700	752/563	
11. Cherokee	3,839/2,983	4,447/2,470	2,607/2,078	
12. Cheyenne	722/835	892/715	369/326	
13. Clark	529/636	585/718	403/342	
14. Clay	1,621/2,280	1,659/2,186	955/775	
15. Cloud	2,374/1,944	2,609/2,079	1,951/1,232	
16. Coffey	1,815/1,558	1,903/1,458	906/746	656,664
17. Comanche	466/572	491/561	410/393	
18. Cowley	6,767/5,596	7,025/4,738	3,607/2,814	
19. Crawford	8,359/3,878	9,466/2,994	4,478/2,502	1,749,924
20. Decatur	1,151/824	1,226/786	869/585	
21. Dickinson	4,692/2,745	4,566/3,260	1,459/1,202	
22. Doniphan	1,539/1,340	1,679/1,130	1,041/637	1,147,971
23. Douglas	13,084/9,677	15,091/7,526	7,390/5,276	12,882,292
24. Edwards	1,024/730	1,049/709	567/392	
25. Elk	900/603	898/630	482/272	
26. Ellis	6,223/2,537	7,315/2,434	3,735/2,137	
27. Ellsworth	1,731/1,140	1,776/1,101	991/638	
28. Finney	4,641/3,075	5,046/2,692	2,286/2,268	

Senate Fed + State

2-14-01

Attachment 7-1

<u>COUNTY</u>	<u>1986 PARIMUTUEL</u> <u>Y/N</u>	<u>1986 STATE</u> <u>LOTTERY</u> <u>Y/N</u>	<u>1995 INSTANT</u> <u>BINGO</u> <u>Y/N</u>	<u>\$ LOST TO</u> <u>MISSOURI</u> <u>(SALOMON</u> <u>BROS)</u>
29. Ford	6,046/3,358	6,036/3,323	2,089/1,387	
30. Franklin	3,481/3,504	3,974/3,196	2,700/1,940	2,715,398
31. Geary	3,710/1,759	3,941/1,559	1,921/909	1,756,313
32. Gove	730/802	748/816	320/306	
33. Graham	827/702	959/697	396/209	
34. Grant	1,171/1,010	1,271/894	408/321	
35. Gray	1,114/821	1,079/840	518/409	
36. Greeley	437/356	481/328	293/240	
37. Greenwood	2,624/1,300	2,487/1,424	1,503/864	
38. Hamilton	625/475	672/413	437/389	
39. Harper	1,657/1,373	1,535/1,496	703/569	
40. Harvey	4,958/6,549	5,416/6,156	2,840/2,832	
41. Haskell	583/729	596/699	349/461	
42. Hodgeman	591/464	2,577/476	225/192	
43. Jackson	2,626/1,922	2,755/1,797	1,439/1,044	1,187,588
44. Jefferson	3,619/2,199	3,831/1,916	1,350/1,049	2,371,613
45. Jewell	951/989	925/1,013	609/479	
46. Johnson	63,437/35,376	71,164/27,942	35,764/26,642	70,378,637
47. Kearney	873/555	923/511	540/403	
48. Kingman	1,933/1,565	1,892/1,618	632/572	
49. Kiowa	665/1,053	684/1,033	426/591	
50. Labette	4,197/3,995	5,031/3,256	1,647/1,914	
51. Lane	648/523	665/522	303/244	
52. Leavenworth	9,451/3,887	10,056/3,119	5,138/2,664	12,606,929
53. Lincoln	1,126/749	1,132/754	384/353	
54. Linn	1,676/1,153	1,760/1,056	925/644	990,959
55. Logan	732/718	769/665	313/254	
56. Lyon	6,830/4,789	6,939/4,590	3,834/2,354	2,172,042
57. Marion	1,929/2,976	2,017/3,360	1,367/1,486	
58. Marshall	2,960/2,335	2,923/2,288	1,870/992	912,455

<u>COUNTY</u>	<u>1986 PARIMUTUEL</u> <u>Y/N</u>	<u>1986 STATE</u> <u>LOTTERY</u> <u>Y/N</u>	<u>1995 INSTANT</u> <u>BINGO</u> <u>Y/N</u>	<u>\$ LOST TO</u> <u>MISSOURI</u> <u>(SALOMON</u> <u>BROS)</u>
59. McPherson	4,336/6,019	4,594/5,577	2,397/2,716	
60. Meade	974/972	952/988	577/503	
61. Miami	4,138/2,416	4,498/2,108	2,115/1,214	3,369,220
62. Mitchell	2,049/1,876	2,039/1,408	1,367/777	
63. Montgomery	7,034/5,637	6,757/4,895	3,893/2,836	
64. Morris	1,548/1,009	1,578/934	731/405	381,524
65. Morton	618/748	697/645	386/321	
66. Nemaha	3,014/1,760	3,106/1,747	1,108/788	1,062,128
67. Neosho	3,870/2,561	4,291/2,228	2,412/1,590	794,902
68. Ness	1,146/1,013	1,122/988	536/470	
69. Norton	1,490/1,299	1,526/1,290	632/480	
70. Osage	3,549/2,271	3,644/2,222	1,890/1,629	1,636,631
71. Osborne	1,269/1,191	1,221/1,254	451/467	
72. Ottawa	1,317/1,274	1,360/1,235	900/675	
73. Pawnee	1,786/1,386	1,848/1,324	740/564	
74. Phillips	1,357/1,366	1,413/1,429	979/685	
75. Pottawatomie	3,559/2,016	3,645/1,886	1,431/959	1,291,406
76. Pratt	2,179/1,913	2,263/1,826	662/513	
77. Rawlins	1,131/829	1,292/722	747/547	
78. Reno	14,575/10,342	14,523/10,410	6,387/6,021	
79. Republic	1,800/1,317	1,816/1,328	920/625	
80. Rice	2,422/2,280	2,356/2,268	885/787	
81. Riley	8,592/5,621	8,837/4,932	4,491/2,642	4,539,879
82. Rooks	1,510/1,121	1,647/1,144	925/738	
83. Rush	1,313/743	1,367/702	632/424	
84. Russell	2,456/1,173	2,777/1,216	1,581/718	
85. Saline	11,297/6,776	11,872/6,067	5,334/3,703	
86. Scott	1,303/1,025	1,360/936	847/829	
87. Sedgwick	74,522/52,003	79,851/45,844	38,265/27,678	
88. Seward	2,162/2,460	2,376/2,205	1,384/1,247	

<u>COUNTY</u>	<u>1986 PARIMUTUEL</u> <u>Y/N</u>	<u>1986 STATE</u> <u>LOTTERY</u> <u>Y/N</u>	<u>1995 INSTANT</u> <u>BINGO</u> <u>Y/N</u>	<u>\$ LOST TO</u> <u>MISSOURI</u> <u>(SALOMON</u> <u>BROS)</u>
89. Shawnee	41,603/19,782	44,293/16,820	9,614/7,936	19,171,173
90. Sheridan	819/568	959/594	352/242	
91. Sherman	1,875/1,088	2,135/880	1,162/571	
92. Smith	1,157/1,350	1,117/1,424	641/575	
93. Stafford	1,298/1,286	1,268/1,314	755/706	
94. Stanton	428/450	480/380	268/239	
95. Stevens	796/1,036	848/1,001	486/484	
96. Sumner	4,921/4,154	5,222/3,856	2,206/1,443	
97. Thomas	2,052/1,463	2,304/1,229	1,059/826	
98. Trego	1,024/632	1,132/730	548/472	
99. Wabaunsee	1,772/995	1,896/997	787/494	592,138
100. Wallace	428/475	477/426	371/388	
101. Washington	1,516/1,243	1,800/1,402	1,144/696	319,488
102. Wichita	591/487	627/454	495/319	
103. Wilson	2,170/1,796	2,310/1,160	1,113/768	471,809
104. Woodson	995/639	993/609	533/419	261,516
105. Wyandotte	25,399/10,102	26,650/8,989	10,065/3,942	30,739,230
TOTALS	483,944/324,143	515,893/291,411	241,389/174,677 58%/42%	183,442,665

2

1986 Kansas General Election

(1,158,738 registered to vote)

(1,942,635 eligible to vote)

Voted in Governor's Race

840,605

(17.5% of registered voters did not vote)

(56.7% of those eligible to vote did not vote)

Voted on Classification Amendment

787,922 (6.3% drop-off)

Voted on Lottery Amendment

807,304 (4% drop-off)

Voted on Liquor by the Drink Amendment

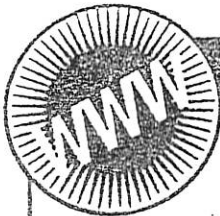
815,151 (3.1% drop-off)

Voted on Pari-mutuel Wagering Amendment

808,087 (3.9% drop-off)

Voted on Education Amendment

750,328 (10.8% drop-off)



<http://www.vegas.com/sports/allstar/allstar.html>

GOT THE HORSE RIGHT HERE

If you want to know the odds (or even bet on something), you can do it over the Net at **All Star Sports**. It is run from Las Vegas, so it's legal. You can browse and play some free games, which vary from time to time. Or you can register and be allowed to play for real stakes in real time. Your losses get charged to your credit card, so be careful; the odds are a sweat-provoking 5 to 9.

**THURSDAY
MARCH
1996**

14

7-6

#3

4

Salomon Brothers

W. Bruce Turner
(813) 558-6110
Scott M. Renner
(813) 558-6126

**Salomon Brothers 1995
State of the Industry
Report: Gaming**

Operator
Casino Bel
Diamond L
Emerald L
President F
Mississipp
Sioux City
Belle of Si
Dubuque C
Catfish Ber
Miss Mara
Lady Luck
NA Not app
Source: low

Despite the fact that these changes were in effect for only two thirds of 1994, statewide admissions almost doubled (see Figure 109) and gaming revenue more than doubled for the year (see Figure 107). Those Iowa boats that suffered at the hands of Illinois riverboats now appear to be winning the war. Since the legislation took effect, Illinois riverboats located near their Iowa counterparts have seen their operating results drop. Gaming revenue for the *Casino Rock Island* and the *Jo Daviess Silver Eagle*, two adjacent Illinois boats, declined by 23.9% and 9.6% respectively in 1994.

Utilization measures, such as win per admission and win per position per day, best reflect the resurgence of the Iowa market. Both measures rose sharply in 1994 (see Figures 110-111). These dramatic increases have generated renewed interest and sparked investment in the Iowa marketplace. Two riverboats opened at the end of 1994, and three more are scheduled to begin operating within a year (see Figures 26-27). We expect little incremental riverboat development beyond these projects because of a dearth of additional locations with attractive demographics, although one other operator, Argosy Gaming, has expressed interest in the Osceola area south of Des Moines. In addition, an Iowa Senate committee has passed a bill that would place a moratorium on the issuance of future riverboat gaming licenses in the state (although Osceola would be grandfathered). This bill is currently awaiting hearing in the full senate.¹⁷

Beyond riverboat development in the next year, Iowa will also see the introduction of slot machines at three of the state's four racetracks (see Figure 28). Bluffs Run in Council Bluffs, Iowa opened its slot operations on March 15, 1995, with 1,150 slot machines, while Prairie Meadows near Des Moines opened its slot facility on April 1, 1995 with a similar number of slots. Initial results are encouraging. Through the first 12 days of operation at Bluffs Run, gaming revenues exceeded \$4.5 million¹⁸ — or a very strong \$325 in revenue per position per day (the facility leads the state in this key performance measure).

We believe that revenues generated by these facilities will have a minimal impact upon Iowa's existing riverboat operations because they do not fall within the immediate market areas of existing riverboat supply. The one exception to this assumption is Dubuque, where Dubuque Greyhound Park's 550 slots will compete directly with the *Dubuque Diamond Jo*.

The outlook for the Iowa gaming market in 1995 is bright. Gaming revenues should increase dramatically with the introduction of slots at the state's racetracks and additional riverboat supply entering the market. Meanwhile, the border competition between Iowa and Illinois riverboats will continue. Sustained negative results for Illinois boats may provoke the state to review its policies regarding cruising requirements for riverboats.

With gaming now available at six riverboat casinos, three Native American casinos and two pari-mutuel facilities, Iowa has transformed itself into a very complete and diversified gaming market. Moreover, with the absence of regulatory constraints, this market now has the ability to ensure that this resurgence is not merely a flash in the pan. The most meaningful investment lesson in Iowa is a simple one: politics can change the nature of a market at any time.

¹⁷ Senate Filing #425, 1995.
¹⁸ Iowa Racing & Gaming Commission statistics.

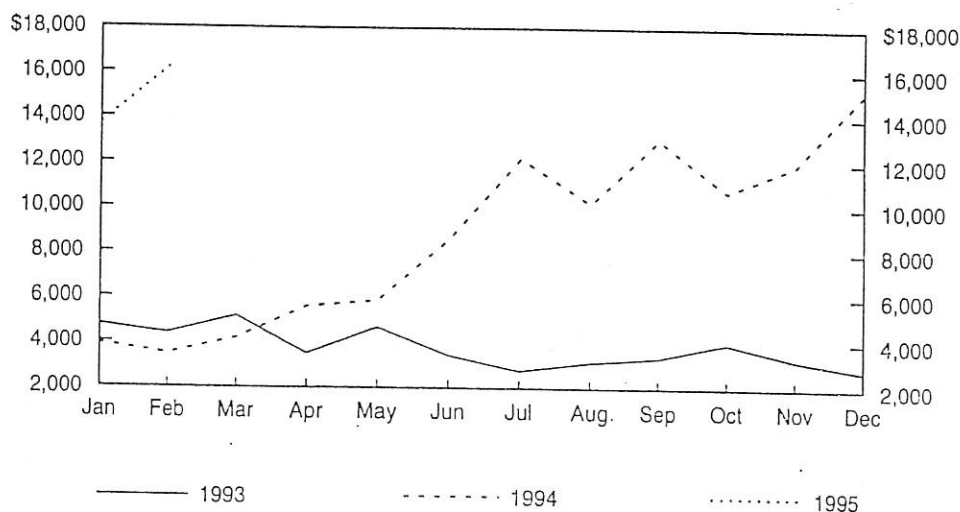
What a difference a year makes. All of these expansions face political legislative hurdles that make their arrival difficult to predict. In the meantime, investors who had braced for the worst are finding that Atlantic City is not the disaster many expected. With the struggles in Pennsylvania, Massachusetts and Rhode Island, a window of opportunity has opened which Atlantic City can try again to differentiate itself as more than just a gaming market of convenience for the heavily populated Northeast. What the Atlantic City industry does with this "window" is critical to the region's long-term growth and viability as a gaming market. Recent events have led us to be encouraged regarding the prospects for radical improvements in this market. We refer investors interested in a comprehensive analysis of Atlantic City to our May 1995 companion industry research to this national study titled *Atlantic City: Worthy of a Second Look*.¹⁶

EMERGING MARKETS

Iowa

Early last year, Iowa was perceived as a dying market. Already suffering from the closings of three riverboat casinos beginning in mid-1992, the market appeared to be on the verge of collapse. Revenues were dwindling under the weight of regulatory constraints that restricted betting and loss limits. Under these conditions, Iowa's riverboats could not compete against Illinois riverboats able to offer gaming without limits and Iowa's Native American casinos which offered patrons greater convenience. Iowa's legislature stepped in and passed legislation authorizing slots at racetracks, removing all bet and loss limits and relaxing riverboat cruising requirements pending local referendum approval. The move revitalized the Iowa market.

Figure 25. Gaming Industry — Iowa: Riverboat Casino Revenue, 1993-95^a (Dollars in Thousands)



^a Year to date.
Source: Iowa Racing and Gaming Commission.

¹⁶ *Atlantic City: Worthy of a Second Look*, Salomon Brothers Inc, May 1995.



#5

Race Alliance

01-7

What's At Stake

Kansas simply cannot afford to lose the important source of revenue that racing provides. And it doesn't have to happen because we will turn things around if we can level the playing field to compete with Missouri. Here's what we stand to lose.

- » 4,000 jobs across the state
- » \$222 million agri / racing industry
- » Kansas #1 & #2 tourist attractions
- » 40% of Piper School District annual budget
- » Over \$6 million to Kansas Charities
- » Income source for over 500 farmers
- » Property tax relief for all 105 counties
- » \$40,000 per day in taxes to the state
- » Tens of millions contributed to the Economic Development Initiative Fund (EDIF)

"Without enhanced gaming opportunities, it's becoming clear that the parimutuel industry in this state isn't likely to survive, and I happen to think it's an industry worth saving. -"

Governor Bill Graves

Slots Mean \$\$\$\$ For Kansas Education

A Look at The Iowa Experience

The best example in the midwest of the impact of slot machines when integrated into a racing environment can be found in Iowa at Bluffs Run greyhound track and Prairie Meadows horse track where slots are generating \$ 23 million in monthly revenues and employment has more than quadrupled. Based on the Iowa experience and considering currently proposed legislation, Kansans could anticipate:

\$50 Million Annually for State Colleges & Universities

\$40 Million for Horse & Greyhound Purses

Double the Number of Jobs at the State's Tracks

What Racing Means To Kansas

Missouri Gambling Boats Slash Kansas Revenues

	The Woodlands			Wichita Greyhound Park		
	1994	1995	Change	1994	1995	Change
Handle	\$86,189,903	\$38,264,192	-55.6%	\$48,298,269	\$40,628,230	-15.9%
Attendance	692,969	431,655	-37.7%	380,455	334,500	-12.1%
Parimutuel Taxes	\$2,906,289	\$1,347,917	-53.6%	\$1,697,666	\$1,427,584	-15.9%
Purses (Greyhound)	\$3,874,975	\$1,797,315	-53.6%	\$2,254,086	\$1,903,605	-15.5%
Payroll / Payroll Taxes	\$6,359,114	\$4,371,023	-31.3%	\$2,765,960	\$2,557,556	-7.5%
Sales, Excise & Admission Taxes	\$619,286	\$338,956	-45.3%	\$254,724	\$210,196	-17.5%
Federal & State W2G Taxes	\$1,012,908	\$335,256	-66.9%	\$331,243	\$253,425	-23.5%

For Jan - September of each year



First Congregational Church

307 South 9th Street
Sabetha, Kansas 66534

Pastors

Charles Robinson

Office: 785-284-3060

Home: 785-284-3894

Ray Talbot

Office: 785-284-3060

Home: 785-284-3107

Children's

Ministry Director

Janet Wittwer

785-284-3060

Church Office

Ineva Lee, Sec.-Treas.

785-284-3060

Ministry

Support Staff

Sandy Aberle

785-284-3060

As a pastor at the First Congregational Church of Sabetha, Kansas, I have a concern regarding the subject of gambling and its expansion. Until a few years ago, I never took the dangers of gambling seriously. Occasionally I would hear of a story of someone who had gone overboard gambling and had lost all they possessed. I would blame it on their economic status or their stupidity. However, my mind has been changed. I have seen one too many individuals walk into my office with a destroyed marriage or financial ruin due to gambling. Only this time it is people I know and love, young and old who had both strong marriages as well as financial security. I realize the difficulty government has in deciding the freedom of business versus the damage which that particular business will do to society. In these recent years we have seen this effect in the tobacco industry over the concept of addiction. I don't believe anyone is debating the reality of gambling addiction, but I do realize the weighing of the financial gain versus the damage to lives. I have come today to state that my experience with lives damaged by gambling moves me to believe that responsibility not only lies within the realm of the individual but also within the realm of the government that allows it. Therefore, I am opposed to any further expansion of gambling—I recognize what is already here, but realize that to make it even more accessible would extend existing problems and cause further social and government costs. As a comparison, I can't stop an alcoholic from going to the local bar and getting drunk, but I am a fool if I make that drink more available. As a pastor of my church, I will continue to instruct our people in the dangers of gambling and pray for God's guidance to those making laws that they may be wise in protecting the people they serve.

Charles J. Robinson

Senati Fed+State
2-14-01
Attachment 8-1

WICHITA STATE UNIVERSITY
STUDENT GOVERNMENT ASSOCIATION
Student Senate RESOLUTION R006-01312000

TITLE: The Students' Support for the Technologically Literate Workforce Development Initiative
AUTHOR: President David Segraves
SPONSORS: Jacob Hanes, Aaron Bushell

WHEREAS, the students of Wichita State University realize the importance of preparing themselves for workplace technology needs; and

WHEREAS, the two-for-one match technology fund program has helped bolster instructional and educational technology used at Wichita State University; and


WHEREAS, Governor Bill Graves has recommended a budget that has neither included the two-for-one match program, nor included any additional funds or program to alleviate the effects of this loss; and

WHEREAS, Kansas State Senator Steineger of District Six has introduced legislation to not only fully fund the "\$2 for \$1" match program, but also addresses the technological needs of other levels of Kansas education including the Kan-Ed internet backbone program, the existing K-12 technology fund and enhancing funding for instructional and technology resources for community colleges and vocational-technical schools; now

BE IT RESOLVED that the Student Senate of Wichita State University strongly encourages the Kansas Legislature to support higher education and the economic future of this state by supporting the Technologically Literate Workforce Development Initiative; and

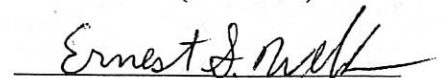
BE IT FURTHER RESOLVED that a copy of this resolution be sent to the Kansas Board of Regents, Dr. Donald Beggs, President of Wichita State University; Dr. Ronald Kopita, Vice President for Student Affairs; Dr. Robert Kindrick, Vice President for Academic Affairs; the *Sunflower* Newspaper; the *Wichita Eagle*; and every elected official in the Kansas Legislature.

Date Signed (2-9-00)



David C. Segraves
President of the Association

Passed by Acclamation
(01-31-00)



Ernest S. Webb
President of the Student Senate



Donald Beggs
President of Wichita State University

Senati Fed + State
2-14-01
Attachment 9-1



WICHITA STATE UNIVERSITY

Student Government Association

Testimony of David Segraves, President of the Student Government Association of Wichita State University, before the Kansas Senate's Federal and State Affairs Committee.

In the fall of 1997, I anxiously explored Wichita State University. After changing my mind numerous times in high school, I had decided to double major in Computer Engineering and Management Information Systems. Attending my first college classes, I was impressed with the faculty and excited by the material. Unfortunately, I found the computing facilities insufficient for my needs. This insufficiency prompted me to purchase my own computer system for approximately \$2,500. This type of expenditure should not happen.

I am happy to say, during the two and one half years it took me to pay off the loan on my computer, the state and the university, having initiated and utilized the two for one technology match, have eliminated the need of this type of expenditure.

Since the initiation of the technology fee, Wichita State University's technology situation has improved drastically. We have opened a 24 hour computer lab and existing computer labs have been infused with new computers and updated software. Our master classrooms project has been enhanced with new data projectors and new laptop computers, and four data projectors and five laptop computers have been dedicated for instructional purposes. Perhaps the most significant instructional enhancement has come in the form of our BlackBoard web authoring system. This system has facilitated faculty utilizing the Internet in more than 200 courses.

In the last three years, we have progressed to a state of providing adequate technological services to our students. Unfortunately, Governor Graves did not include the two for one technology match in his budget.

Approving by acclamation my resolution supporting SB 156, the student body of Wichita State University has made restoring the two for one technology match our top legislative priority. We know technology is becoming increasingly important in the workplace; we feel it is only prudent to continually improve the technology utilized in our education. It is time the state rejects the stopgap paradigm treatment of technology. We must invest in technology every year if we wish to keep providing adequate services to our students.

Keeping up with technological advancements is a challenge, but, as many of my professors have told me, every challenge is an opportunity if one looks at it properly. This state has the opportunity to innovate our education system. With the reinstatement of the two for one match, the state would allow the Regents universities to shift paradigms to one of strategic planning. Rather than trying to scrape together enough money to replace broken or hopelessly outdated systems, universities will be able to

Senate Fed + State
2-14-01

dedicate money to continuing improvements of hardware, software and instructional tools. Moreover, universities will be able to invest in improving the infrastructure of information systems.

As I approach graduation and look back on my years in school, I feel a little jealous of the opportunities the two for one technology match has provided for students coming after me. Talking to other students, I realize how much the technology match has enhanced their education. Although I wish I had benefited from these enhancements, I understand the nature of institutions is to grow and become better. Now, I just hope classes in the upcoming years do not look back to these years and feel jealous.

The two for one technology match is a proven program. I have seen the results and would suggest you look into its benefits. I doubt you will find a program with the potential to enhance education to this degree, nor will you find many programs that give three dollars of benefits for every two dollars you invest.

Thank you for your consideration of funding the two for one technology match and thank you for the opportunity to address your committee.



REBECCA RICE

ATTORNEY AT LAW

P.O. Box 4108
TOPEKA, KANSAS 66604

PHONE: 785/271-5152

CELL: 785/249-3487

FAX: 785/273-3705

KSLobbyist@aol.com

**TESTIMONY PRESENTED TO
THE SENATE FEDERAL AND STATE
AFFAIRS COMMITTEE**

**re: SB 156
February 14, 2001**

**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 156.

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 156. They oppose this legislation because it creates state-issued monopoly licenses for slot machine operations. They believe this is **bad** public policy and unfairly punishes current lottery retailers who are small business owners.

It is difficult to find something new to say after opposing the same basic legislation year after year so I have chosen a different approach this year. But, I haven't heard any new arguments to support the concept of monopoly slot machine licenses. And no new rationale has been presented explaining why most of the net revenues from state owned and operated slot machines should go to the monopoly license so I probably didn't need to find new reasons to oppose this legislation.

So this year I decided to take a trip down *Memory Lane*. My files regarding preferential treatment for racetrack owners fill multiple file cabinet drawers so I'm limiting our journey to a quick peek at 1995 through 1997.

My intention is that this journey will act as a **strong** reminder – especially for those who are new to the legislature - that year after year as each legislative body has studied this issue, the majority of legislators has determined that **state-owned and operated slot machine operations**, although privatized (similar to the privatization of child support collections?), is a very bad idea.

I have attached newspaper articles, copies of testimony and front pages of research documents to remind all of us of the enormous effort and expense that many previous committees have expended on this issue.

Thank you, Madam Chairman and members of the committee for allowing us to testify in opposition to SB 156.

Senate Fed + State
2-14-01
Attachment 11-1

Slots - Leg. Research
documents

Kansas Legislature

Report of
Special Committee
on Gaming
to the
1996 Kansas Legislature
Proposal Nos. 36 and 37



*Legislative Research Department
December, 1995*

MEMORANDUM

Kansas Legislative Research Department

Room 545-N -- Statehouse
Topeka, Kansas 66612-1586
(913) 296-3181

Revised
January 20, 1992

To: Legislative Coordinating Council

Re: Video Lottery

This memorandum responds to a request by the Legislative Coordinating Council on May 29, 1991, to review information already prepared on video lottery and to refine material on this subject matter and generate revenue estimates in order to provide as much "hard data" as possible for the 1992 Session.

This memorandum is divided into six sections. The first section provides background information about video lottery games and raises policy questions which are further addressed in the ensuing sections of the memorandum. The second section reviews the major provisions of legislation authorizing video gambling in the states of Montana, South Dakota, Oregon, Louisiana, and West Virginia. The third section raises policy concerns and issues stemming from legislation governing regulation of video gambling machines, as well as implementation of this form of gambling. The fourth section examines revenues generated by video lottery games in South Dakota, Montana, West Virginia, and Oregon (projected) where state-regulated video gambling machines are in operation. The fifth section addresses possible implications of video lottery for state revenues in Kansas, using assumptions extrapolated from South Dakota's experience. South Dakota was chosen as a basis for comparison because video lottery in that state is regulated by the South Dakota Lottery and has been in operation since October, 1989. Moreover, 1991 Sub. for S.B. 449 was patterned after South Dakota's video lottery law. The Kansas bill was passed out of the Senate Committee on Federal and State Affairs but was subsequently killed by the Senate during the 1991 Session. The sixth section raises major policy questions to be considered by the Legislature in formulating legislation.

It should be noted at the outset that a provision in the *Kansas Constitution* (Article 15, Section 3c) authorizes the Legislature to "provide for a state-owned and operated lottery." This provision has certain implications for video lottery implementation in Kansas (to be further discussed below). One major implication is that video lottery statutes in other states might not be completely compatible with this constitutional provision.

W. - Video Lottery

TESTIMONY PRESENTED TO THE
SENATE WAYS AND MEANS COMMITTEE
re: SB 399

February 16, 1994

by: Rebecca Rice
Legislative Counsel for the Wyandotte County Private Club Association

Thank you Mr. Chairman and members of the committee. I appreciate the opportunity to present this written testimony on behalf of the Wyandotte County Private Club Association.

The Wyandotte County Private Club Association is not opposed to a state run video lottery but does believe Senate Bill 399 is unfair to retailers. This legislation represents a departure from the standard relationship between entertainment machine distributors and property owners.

Typically, retailers and distributors/owners have shared equally in the receipts from recreational machines after the deduction of sales tax. Providing a much higher percentage to machine distributors/owners does not indicate the partnership of responsibility shared by machine owners ("video lottery operators") and property owners ("video lottery retailers"), whose actual possession of video lottery equipment creates certain as yet unknown duties and/or responsibilities.

We would ask this committee to examine the percentages under New Section 18 (*see page 21*) to determine whether the retailer is being shortchanged. If the percentage is too low, the incentives for retailers to "police" concurrent gambling, in conjunction with machine play but outside the state system, may be unsatisfactory. The percentage must be sufficient to encourage the retailer to make patrons play the machines in a legal manner, as well as fulfill the many regulatory requirements associated with the possession of video lottery equipment.

Last, it seems premature to do anything in this area until the issue of casinos has been settled.

Thank you for considering this testimony.

MEMORANDUM

Slots - R...
Leg. - search

Kansas Legislative Research Department

300 S.W. 10th Avenue
Room 545-N - Statehouse
Topeka, Kansas 66612-1504
Telephone (913) 296-3181 FAX (913) 296-3824

July 16, 1993
Updated January 17, 1995

To: Senate Committee on Federal and State Affairs
From: Mary Galligan and Lynne Holt, Principal Analysts
Re: Gaming Functions in Kansas and Other States

This memorandum examines the overall structure of state gaming oversight in Kansas and in other states. To that end, this memorandum is divided into three parts.

Part I provides a framework for analyzing the functions assigned by statute to Kansas state agencies responsible for some or all aspects of state regulated gaming activities. Four types of gambling are legal in Kansas: lottery, bingo, parimutuel, and Indian gaming. Assigned agency functions encompass the following: regulation (includes licensure), promotion, enforcement, and tax/revenue collection. The state has primary statutory responsibility for these functions with respect to each of the four gaming activities under review.

Part II is an outline of gambling oversight in selected other states.

Part III identifies several issues for Committee consideration as it reviews agency oversight responsibilities.

PART I

WHAT GAMBLING IS ALLOWED IN KANSAS?

Article 15 §3 of the *Kansas Constitution* prohibits lotteries and the sale of lottery tickets. However, the *Constitution* contains three specific exceptions to that general prohibition.

- §3a authorizes the Legislature to regulate, license and tax bingo operated or conducted by non-profit religious, charitable, fraternal, educational and veterans organizations.

Wichita Eagle

Tues. 11-28-95

Woodlands' best bet
of competing with Missouri
riverboats is full-scale casino,
banker tells panel

Slots alone won't save racetrack, state told

By Julie Wright

The Wichita Eagle

TOPEKA — Kansas racetrack officials have spent all of 1995 saying they'll go broke unless they get permission to run slot machines soon, but legislative testimony Monday indicated that slots — at least in the case of The Woodlands in Kansas City — may be too little, too late.

Legislators studying gaming heard from Bruce Turner, a vice president with the investment banking firm of Salomon Bros., who said The Woodlands' best chance for competing with glitzy Missouri riverboat casinos is to offer something more than Missouri does — not something less.

The riverboat casinos offer a full range of games, including slot machines; current proposals for Kansas call for slot machines only.

"It looked to me like what he was saying was, putting slot machines at The Woodlands wouldn't be a viable method of saving the track," said Sen. Mike Harris, R-Wichita. Harris is chairman of a committee studying the social and economic impact of expanded gambling in Kansas and how to regulate the games.

"If that's the goal of the Legislature — to save the greyhound and horse industry and the tracks — I'm not sure that's a viable scenario," Harris said.

Turner brought with him a financial report indicating that when the Kansas City casino market is "mature," \$183 million a year will flow from Kansas to Missouri — unless Kansas gaming changes dramatically.

If Kansas offers everything Missouri offers — a full range of casino games — Kansas can keep some of its money in the state, Turner said. If Kansas offers something more, such as a "destination resort" featuring gaming, Kansas could lure some of Missouri's gaming dollars across the border.

The committee's work on Monday came in preparation for today's action, which will include drafting of recommendations for the Legislature.

The committee also heard from amusement and bowling alley operators in Iowa who said expanded gambling in that state is crippling their businesses, and from professionals who counsel gambling addicts in that state. The counselors said the percentage of compulsive gamblers in Iowa has grown from 1.7 percent in 1988 to 5.5 percent. They attributed the growth to expanded gambling.

The concept of a "destination resort" anchored by gaming has come up in the past, without legislative success.

"I just can't imagine conceptually that a destination resort would work in Kansas — whether it's a destination resort with gaming or any other kind of entertainment," Harris said. Kansas doesn't have the population base, the weather, scenic attractions or anything else to draw big crowds from other states, he said.

Rep. Doug Spangler, D-Kansas City, one of the Legislature's biggest supporters of gaming and The Woodlands, sees it differently. He said the Legislature's failure to give in to the track's request for slots in 1995 indicates that the Legislature isn't interested in helping the tracks. Spangler said lawmakers will have to look at expanded gaming for its own sake.

"They have to consider a form of gaming encompassing a resort destination facility where people outside Kansas jurisdictions will come in and spend their entertainment dollars," Spangler said.

Spangler's idea is that Kansans would vote on a constitutional amendment to allow casino gaming. If the amendment passed, then private businesses could bid on casino licenses. The tracks would be free to bid for the licenses, but they would not be the only players allowed in the game.

"You're opening it up for competition, and competition will produce the best supply of gaming," Spangler said.

Kansas racetrack supporters have fought for several years to win approval for slot machines or other casino games to boost business. At The Woodlands, a 15-minute drive from a Missouri casino, losses may be \$4 million this year as attendance and betting continue to decline.

Attendance and betting are declining at Wichita Greyhound Park, but officials there say the park probably will make a little money this year. Campdown Greyhound Park near Pittsburg suspended racing earlier this month after less than six months in operation.

All of those facts have been used by track backers arguing in favor of expanding gaming to allow slot machines at the racetracks. Gov. Bill Graves has come out in favor of a constitutional amendment that would allow Kansans to vote on whether to allow slots at tracks. Separately, the horse and dog breeder groups and the tracks are backing a bill that would allow slots at the tracks.

Track officials on Monday signaled no immediate change of strategy in light of Turner's testimony.

Bruce Rimbo, president of The Woodlands, said slot machines alone would be enough to help the track get its debt under control and to stabilize its financial future. Rimbo's interpretation of Turner's testimony was that slots wouldn't be futile at The Woodlands but that a land-based, full-blown casino would be ideal.

Rimbo said The Woodlands would continue to support the governor's slots-only proposal.

Meanwhile, more voices are entering the gaming debate. As is the case in Iowa, those who depend on disposable entertainment dollars for their income are wondering how slot machines would affect their businesses, and they're worried.

Some amusement machine operators and bowling alley operators are asking why racetracks are the only businesses being considered for gambling. Already, Wyandotte County private clubs have said they want slot machines if racetracks get them. Some think other businesses are soon to follow, and that makes the politics of an already controversial issue even dicier. What once was purely a matter of "saving the racetracks" is becoming a broader gambling question.

"I don't think there's any question that the more people that get involved, the stickier it gets," said Roy Berger, executive vice president of Wichita Greyhound Park.

ing Sun
Courier

Slots

PARI-MUTUEL

Graves thinks pari-mutuel industry dying

Send on 12-29-95

By ROGER MYERS
The Capital-Journal

“Why don't we just let the people have their say on it?”

Gov. Bill Graves said Thursday he thinks the pari-mutuel industry in Kansas may be dead.

—Gov. Graves

on slot machines at pari-mutuel tracks

“I do believe the pari-mutuel industry is not going to be around much longer,” the governor told members of The Capital-Journal's editorial board.

al amendment on the ballot that would allow Kansans to vote on whether they want to allow electronic slot machines at pari-mutuel tracks in the state.

He said the newly opened Camptown greyhound track at Frontenac closed its season early because of financial problems.

Grave said the issue, which has been rejected by the Legislature the past three sessions, “needs to be put to rest.”

“Eureka Downs isn't racing anymore. I don't know if there's racing at Anthony Downs and the Woodlands is shaky,” he said. “Greyhound Park in Wichita is about the only one around that's making it.”

“Why don't we just let the people have their say on it?” he asked. “I think they want to vote on the issue, but whether it would be approved I think is up in the air.”

The governor has proposed that the 1996 Legislature place a constitution-

“One way or the other, I think this will be the end of the gaming debate.”

Topeka Capital Journal

12-22-95

Slots

Kansas
City
Kansan
12/22/95

OUR VIEW/Kansan editorials

Graves' re-evaluation of gambling is logical

Gov. Bill Graves once again has shown intelligence and leadership with his shift in support of a constitutional amendment.

The governor in the past favored a vote of the people to allow slot machines at racetracks. But recently he supported extending that authority to other areas, including the Boot Hill historic district in Dodge City.

The governor's new position seems logical. It would prevent the racetracks from having a monopoly and would give new opportunity to other tourist attractions and businesses.

It could also aid passage of the issue in the Legislature, where a two-thirds majority is required to allow the people to vote. A Topeka legislator who voted against slots machines at the tracks during the 1995 session, said she would not vote for giving the racetracks a monopoly on gaming, but might vote for allowing slot machines at other areas, including the Heartland racetrack in Topeka.

Other legislators across the state also might have their own projects in mind, projects which gaming could aid. Some legislators probably will oppose any gaming in their areas, but might be willing to vote for giving

the people of their area a choice. One legislator opposed to gaming said that he believes if people oppose gaming, they should be given the opportunity to cast their votes against it. A county-option choice for voters is expected to be in the bill, which should be a further inducement for legislators to vote for it.

The Woodlands would benefit more, of course, if only racetracks were allowed to have gaming. So would the Wichita track and the now-closed Frontenac track.

But officials at The Woodlands say they only want a level playing field. They want to be able to compete with Missouri riverboats, which they feel they can do if the bill passes. They also are ready to compete with Kansas casinos, including Indian casinos, which are soon to become a fact of life in Kansas.

The gaming issue is a complex one, but the bottom line is that millions of dollars in tax benefits and thousands of jobs are at stake. Graves is showing once again that he understands complex issues, and knows the importance of tax benefits, jobs and the need for a sound economy and leisure and recreational opportunities in Kansas.

This editorial represents a consensus of The Kansan's editorial board. Other material on this page reflects opinions of staff writers, syndicated columnists, cartoonists and readers.

Sent on
12/29/95

48



Rebecca Rice, J.D.

Attorney at Law

P.O. Box 4842
Topeka, KS 66604

913-234-9702

-- 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.

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.

MEMORANDUM

TO: Members of the Kansas Senate
cc: House Members

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

DATE: April 4, 1996

RE: SB 754

The membership of the Kansas Coalition for Gaming Equity is the Kansas Amusement and Music Operators Association and the Wyandotte County Private Clubs Owners Association. The coalition was formed to present a united front to the Legislature regarding continued racetrack efforts to monopolize future gambling revenues. The coalition is vehemently opposed to SB 754 and is asking you to cast a "no" vote.

It is essential that each Senator is aware of certain provisions contained in SB 754 which is, in many ways, the most sinister legislation the tracks have yet promoted. The following annotations to SB 754 reflect some of our extreme concerns:

- page 2, line 21 -- this language allows the racetracks to have video lottery machines under the lottery without violating the statutory prohibition on video lottery games.
- page 2, lines 34-37 -- allows the tracks to use video "bingo" games. Additionally, the bingo games played at the racetracks will be operated by the lottery under authority of the lottery constitutional amendment not the bingo amendment. Therefore, bingo games at the racetracks will have none of the requirements or restrictions to which bingo licensees are subjected.
- page 2, line 38 -- allows the track to have video "keno" games that are player, not clerk, activated.
- page 3, line 15-20 -- allows video/slot machines.
- page 3, line 28 -- the use of the word "*exclusively*" will prohibit keno from being played anywhere but at the racetracks. **THIS WILL REMOVE KENO FROM EVERY LOTTERY RETAILER PRESENTLY OFFERING THE GAME.**
- page 3, line 32-33 -- allows the use of video/slot machines so long as they have a "racing theme" which could be as simple as the types of symbols used, i.e. racehorses rather than fruit on the video tumblers, or as simple as racehorses or racing dogs printed on the sides of the terminals.

SB 754

Page 2

- page 4, line 26-29 -- allows the racetracks to contract with the lottery for the times and locations of operation. This will allow the racetracks to contract to operate the slot machines and bingo games 24 hours a day.
- page 12, line 38 -- allows the lottery operating fund to be used for making loans to the racetrack lottery operating fund. The provisions for the loan are found on page 6, lines 12-35.
- Kansas will receive no revenue from lottery games played under the new provisions of SB 754 but stands to lose current keno resources.

Amendments to fix many of these problems were considered by the Senate Federal and State Affairs committee. Except for an amendment reducing the number of live racing days, all were rejected by the committee. If supporters of SB 754 present amendments on the Senate floor to solve some of the stated problems, please consider very carefully why the amendments are being considered on the floor when they were rejected in committee. The reason cannot be because committee amendments would have slowed consideration of the legislation. Amendments were accepted by the committee which were offered by the supporters. Therefore, we are very concerned about the content of any proposed amendments which purport to address these problems but which were previously objected to by the proponents.

Thank you for your consideration of the coalition's concerns. I will personally contact as many of you as schedules allow, before you consider SB 754, to answer any questions which you might have about this correspondence.

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.

**TESTIMONY PRESENTED TO THE
HOUSE FEDERAL AND STATE AFFAIRS COMMITTEE**

RE: HB 2174

February 20, 1997

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 in opposition to HB 2174.

The Kansas Coalition for Gaming Equity is a coalition formed by Kansas Clubs and Associates and the Kansas Amusement and Music Owners Association. The coalition was formed for the purpose of presenting a united front to the Legislature regarding the racetracks continuing efforts to obtain a monopoly on future entertainment revenues.

We are opposed to HB 2174 because it creates a new class of lottery retailer providing significant financial advantage to one kind of business to the exclusion of all others for no apparent reason. The Coalition continues to oppose any legislation which is designed to give an economic advantage to one type of entertainment business to the detriment of all others.

As some of you will recall, the Coalition proposed compromise legislation to the Interim Committee on Gaming in the fall of 1995. We suggested that "purse pools" would resolve the horse and dog associations' assertion that the only problem with attendance at parimutuel races was the small purses offered. We suggested that there are many ways to provide "purse pools" to save pari-mutuel that would not require giving exclusive, monopoly gambling rights to just one kind of business. Unfortunately, out of our entire proposal, only the "purse pools" were adopted by the tracks. I doubt that the idea of purse pools is unique to me, and in fact has probably been adopted in some form in other states that have expanded gambling at parimutuel tracks to bolster attendance. I don't know whether purse pools exist in other states and if they do exist, in what form.

It is my understanding that nothing in current law prohibits the racetracks from being the same type of lottery retailers as everyone else. Past lottery bills have been presented as "just allowing the racetracks to play the same lottery games that are being played all over Kansas now." I can't tell by reading this bill if these are the same games that are being played at lottery retail outlets now or not. If they are the same games, no change needs to occur. Current law lets the racetracks choose to become lottery retailers under the same rules as everyone else.

Clearly, you could decide to earmark all gambling/lottery revenue for the "funds" established in the bill. This would enhance "purse pools" at racetrack facilities without creating two classes of lottery retailers. Diverting EDIF funds from the traditional corporate purposes to greyhound and horse purposes may cause some of the supporters of this bill to make some hard decisions about future support. However, if the racing industry is so important to the future of Kansas then you might consider legislation which is much less radical such as redistribution of EDIF funds.

I have provided a copy of a special column printed in the Wichita Eagle by Mr. Roy Berger, CEO/Wichita Greyhound Track. In the column, Mr. Berger notes that HB 2174 is very similar to the legislation that passed the Senate last session. I think this legislation is contains a few more safeguards than the legislation that passed the Senate last year. If HB 2174 is, in fact, very similar to last year's bill, then I would warn this body to kill this legislation now. The legislation from last year was, in my opinion, one of the worst gambling bills this body has yet to consider. I have provided copies of correspondence we provided last year, addressing the many problems with that legislation, for those committee members who were not on the committee in previous years.

Mr. Chairman, if this legislation does, in fact, allow different types of games and machines than are currently allowed by the Kansas Lottery despite Mr. Berger's carefully written special column, then I remain perplexed at the refusal of the racetracks to allow any other lottery retailer to participate in whatever additional gambling the racetracks are promoting in their legislation. Our organization has been accused of killing the racetracks' legislation in years past. I would argue, that perhaps their own stubbornness has contributed to the tracks being unable to convince this legislature that it should carve out an exclusive monopoly for the racetracks to make extremely large profits at the expense of most other entertainment oriented businesses.

I have provided information in the past regarding the detrimental effect full monopoly casinos have on surrounding businesses. I will not take the committee's time revisiting that information.

I would ask the committee to review certain portions of the bill with me:

- Please review the definitions on pages 2, 3 and 4. I am unable to determine what type of game will be played under Sec. 2(t) considering the prohibition of those games/machines defined under Sec.2 (z) *Slot machine* and Sec. 2(dd) *video lottery machine*. I have asked my members to describe for me the games allowed under subsection (t). They cannot tell, either. Their speculation would lead me to think that we may all be unpleasantly surprised at what the tracks' new games look like and how they are played.
- *Racetrack lottery retailer locations* [Sec. 2(v)]: This definition only states that the new retailers are authorized to sell lottery tickets at those locations specified pursuant to a contract. This definition does not appear to require the machines to be located at the licensed facility where live racing occurs. This is not corrected by New Section 3 which only places limits upon those lottery games operated at a racetrack facility. New Section 3 may imply but does not, in fact, limit racetrack lottery games to be operated at the racetrack facility. You may or may not care where the new machines are located. However, we would not want Johnson County legislators to be surprised if the Lottery contracts with the licensees to locate these machines (whatever they are) at I-435 & Metcalf. Due to the probable volume of business, the new revenue alone would probably make that "in the best interests of the racing industry."
- Under New Section 3, the lottery's executive director can enter into contracts with racetrack licensees with the approval of the racing commission which must determine the new agreements are "in the best interest of the racing industry." Please keep that phrase in mind when reviewing the

balance of the bill. The "best interest of the racing industry" is not necessarily the same as "in the best interests of live racing at Kansas racetrack facilities."

- New Section 5. As you may recall, our organization provided alternative legislation to your 1995 interim committee to allow many lottery retailers to participate in any expanded gambling. Unfortunately, the racetracks have only adopted our *purse pool* idea but reject the idea of sharing their new games with anyone else. This bill creates a *breed and purse fund* but does not define "purse supplements" or "awards to owners". Although everyone in this audience may think we all know what is intended by that language, everyone in Missouri thought they knew what the term "riverboat" meant when Missouri approved casinos. Although the breed associations have never asked for our help on anything and instead have their own counsel, I am not certain the *breed and purse fund*, as written, will be used the way you intend without better definition and further protection.
- The fiscal note for this bill is not yet available. Therefore, we cannot determine what amount the Lottery will lose from its present retailers. The calculation of the impact of these new games and machines to the general fund from loss of lottery revenues, liquor sales tax revenues, sales tax revenue and increased cost to the state for increased demand for social services has not been provided.

The issue of expanded gambling is becoming increasingly difficult and emotional for those of us who have been involved in it from the beginning. It has harmed many long-time relationships in the Capitol. This is an issue where the individuals are almost never allowed to be separate from the issue.

There are businesses who believe, maybe without foundation, that their legislators do not value their local business because it is small in comparison to the racetracks. It is unfortunate that gambling legislation has brought us to this point. I hope this legislature makes a clear and early determination on the issue of special privileges for racetracks and that we can then put it behind us forever, regardless of your decision. We hope this issue will not be drawn out from now to the end of the session as has been done these past several years. Working racetrack gambling bills over and over until the end of the session breeds poorly written legislation and bad decisions made under undue pressure.

Thank you for your attention, Mr. Chairman and for allowing me to testify in opposition to this legislation.



REBECCA RICE, Legislative Counsel
 Coalition for Gaming Equity
 913/234-9702

Monopolized gambling takes money out of the local economy:

“Riverboat casinos may produce millions of dollars in revenues for local governments, but [casinos] eventually become ‘black holes’ sucking money away from towns. A ‘negative multiplier effect’ causes [customer’s] money spent in casinos to be kept ‘in-house’ . . . to keep and build the casino’s customer base.”

University of Illinois business administration Professor John Kindt
 Cited by Missouri Council on Gaming Research, Inc. Newsletter, February 15, 1996

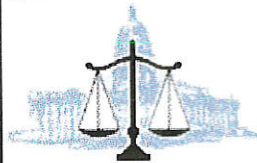
These postcards, and others like them, have been mailed to Kansas’ House and Senate members in the Capitol throughout this legislative session as a part of your associations’ legislative lobbying efforts.



REBECCA RICE, Legislative Counsel
 Coalition for Gaming Equity
 913/234-9702

“Atlantic City’s experience - in particular that of the city’s restaurants - has proven cannibalization occurs when casinos enter a business district. In the decade following the introduction of casinos, 40 percent of [Atlantic City’s] restaurants were forced to shut their doors.”

--- Ronald A. Reno, *You Bet Your Life*, (1995), citing Hinds, Michael deCourcy, *Riverboat Casinos Seek a Home in Pennsylvania*, *New York Times* (1994) p.18A]



REBECCA RICE, Legislative Counsel
 Coalition for Gaming Equity
 913/234-9702

The Oregon Lottery Commission is considering putting video slot machines in bars and taverns. The Commission is reacting to a projected decrease in bar and tavern revenues caused by competition from casinos.

--- *Legalized Gaming Guidepost*, December 1996, citing *Daily Gaming Brief*, December 3, 1996.

Kansas AFL-CIO

2131 S.W. 36th St.

Topeka, KS 66611

785/267-0100

Fax 785/267-0919



President
Ron Eldridge

Executive Secretary
Treasurer
Jim DeHoff

Executive Vice
President
Wayne Maichel

Executive Board

*Ken Alexander
Melany Barnes
Clyde Bracken
Jim Clapper
Dan Fairbanks
Barbara Fuller
David Han
Jim Hastings
Jerry Helmick
Fred Kaminska
Lloyd Lavin
Wil Leiker
Adrain Loomis
Pam Pearson
Emil Ramirez
Bruce Reves
Debbie Snow
Betty Vines*

Senate Federal & State Affairs Committee
Room 245 N - 10:30 AM - February 14, 2001

Senator Nancy Harrington, Chairperson

Re: SB 156

Chairperson Harrington & Committee Members,

I am Jim DeHoff, Executive Secretary of the Kansas AFL CIO. I appear before you today in support of SB #156.

For several years the Kansas AFL CIO has worked to get passage of electronic gaming at parimutuel race tracks. The primary reason for this effort is economic development and the creation of jobs.

The Kansas AFL CIO believes if slots are allowed at parimutuel race tracks, new jobs will be created. These jobs would be in the area of construction and when the construction or remodel is complete, you then see permanent positions created. These future jobs would pay good wages and benefits.

For a long time we have seen Kansans cross the state line into Missouri to go to Missouri casinos. The state of Kansas has missed out on millions of dollars of revenue because of this migration. Missouri has benefitted from many new jobs created that really should have been in Kansas.

One of the biggest challenges you face as a Legislator this year is how to fund schools and provide a quality education to Kansas school children. There is also a strong need to improve vocational training in Kansas and provide a skilled work force for Kansas employers.

Passage of SB #156 will help with the funding of education in Kansas. We urge your support for passage of SB #156.

Thank you.

Jim DeHoff



Senate Fed + State
2-14-01
Attachment 12-1

Senate Federal and State Affairs Committee

Testimony of Bob Johannes Kansas Bowling Proprietors Association

Opposition to Senate Bill 156
February 14, 2001

I would like to thank the Senate Committee on Federal and State Affairs for this opportunity to express my opposition to Senate Bill 156. My name is Bob Johannes 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 40 percent reduction in their casual bowling. People are simply choosing to spend their entertainment dollars 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 made to the Kansas economy. There are 127 bowling centers in Kansas with over 2600 employees. Our payrolls are in excess of 16 million dollars and we pay untold millions in local property taxes and state sales tax.

Furthermore, no monopoly exists for the pari-mutuel tracks when it comes to 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 on 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 the three individual businesses, 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.

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

We would urge you to oppose SB 156.

Thank you.

Senate Fed + State
2-14-01
Attachment 13-1

Washburn Student Government Association

February 14, 2001

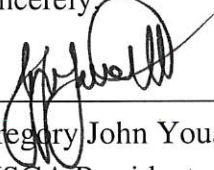
I appear here today before the committee to voice my support for the proposed legislation, SB156 and HB 2183.

I am in support of these bills for the following reasons:

- The proposals allow the people – in the areas concerned Wyandotte, Sedgewick and Crawford counties – to not only have a say in the process but to ultimately decide the issue at hand. In any issue, the ability to exercise one's free will as a people directly affected (by the nature of their residence in those counties) is of utmost importance.
- The proposals address the issue of providing an additional form of entertainment at the earmarked locations – upon the decision of the voters – and in turn investing a portion of that income into technology based educational programs. This is positive both in terms of benefits to the individual, the community, the local and state economy.
- There is clear need for technology workers in the state and the U.S workplace. These proposals ensure that this issue is addressed, and will result in an influx of technology-enabled individuals into the workforce.

Again, I am strongly in favor of the above mentioned legislative proposals.

Sincerely,



Gregory John Youatt
WSGA President

"Students working for students."

1700 S.W. College ■ Topeka, Kansas 66621 ■ 785/231-1169 ■ FAX 785/231-1069 2-14-01

Senate Fed + State
Attachment 14-1

2/14/01

**Testimony of
Jake Worcester,
Students' Advisory Committee Chairman
SB 156**

It's an honor to have the opportunity to represent my fellow student body presidents and all the students at Kansas Regents Universities. As chairman of the Students' Advisory Committee to the Board of Regents, I've had the opportunity to discuss many issues that affect students across the state and recommend policies and programs that would help make a student's journey through Kansas higher education as efficient and effective as possible.

My goal today is to share with you the successes of the 2-for-1 Technology Match program enacted through the Governor's budget three years ago. In government, the quest is always to find more effective and purposeful programs. The technology match program is just that. It has proven effective in allowing our universities to obtain state of the art equipment for educational purposes. The match has served its purpose to this point in helping to prepare students like myself for today's economy.

The program is an example of what happens when students, administration, and policy-makers come together in a partnership with visionary leadership and real commitment to providing solutions to the difficulties facing our universities today. Students stepped up to the plate and said, "We'll contribute one-third of the money for technology if the state will contribute two-thirds." This year students contributed approximately \$1.9 million to

Senate Fed + State
2-14-01
Attachment 15-1

2/14/01

the technology fund with the state matching that, 2-for-1, with \$3.8 million. For three years the program has worked wonders.

The match has provided new computers, lab equipment, agricultural technology, audio-visual equipment and other ventures. Specifically at K-State, a portion of the technology fund has established phase one of the Hale Library "Infocommons." This infocommons consists of clusters of computers in the library with full access to computer lab resources as well as access to all of the library's electronic databases. It has proved incredibly beneficial and popular with the students I represent.

However, phase two of the Infocommons may not materialize because the state portion of the technology match was not recommended for renewal in the Governor's budget. The budget would pull the plug on a program that has served Kansas students extremely well. While the state portion of the program would be discontinued, the student's contribution is still there. Needless to say, this was not part of the deal that students had in mind when we agreed to help fund technology on our campuses.

While we are requesting that the Legislature restore this program, the method to do so is up to you. Neither the Students' Advisory Council nor myself has an official stance on this particular bill; however, the need for the technology match is great, and if this is the avenue you take, we would like to be included. We, as students, are still willing to pay our part. We ask only that the state keep its part of the deal and continue an extremely successful program.

2/14/01

Thank you for your time and consideration. I would be happy to answer any questions or clarify any statements for you at this time.