

MINUTES OF THE HOUSE TOURISM COMMITTEE.

The meeting was called to order by Vice-Chair Peggy Palmer at 3:40 p.m. on March 20, 2002 in Room 243-N of the Capitol.

All members were present except: Representative Carol Beggs - Excused

Committee staff present: Dennis Hodges, Research Department
Bob Nugent, Revisor of Statutes
Carol Doel, Committee Secretary

Conferees appearing before the committee: Keith Kocher - Kansas Lottery
Glenn Thompson - Stand Up for Kansas
Brad Smoot - Legislative Counsel for Woodlands

Others attending: See attached list

Vice-Chair Peggy Palmer opened the meeting with the planned agenda for reviewing **Substitute for HB 2890-An act concerning lotteries; authorizing electronic gaming machines at certain locations** page by page with the help of Sub-Chairman Representative Aurand and Bob Nugent of the revisor's office.

Introduced to the committee was written testimony from the City of Wichita. The city of Wichita is not taking a position on the issue of expanded gambling in Kansas. The City Council believes decisions dealing with gaming are of statewide impact and are therefore best left for the members of the Kansas Legislature to decide. (Attachment 1) Also presented was written testimony from Representative Patricia Lightner to support her verbal testimony before the committee on March 18, 2002. Representative Lightner also attached information to her testimony which she thought would be helpful to the committee. (Attachment 2) There was also written testimony from Reverend Richard Taylor to support his verbal testimony on March 18, 2002. (Attachment 3)

Bob Nugent of the Revisor's Office was called to the podium to explain the **Substitute for HB 2890**. Attention was called to Section 1 - subsection (4) Page 4 with a list of sixteen different categories of gaming employees who are subject to heightened scrutiny in terms of what they can do and background check.

Section 1 - Page 5, (z) and (aa) Veteran's organization licensee and the veteran's organization licensee location are defined as added by the subcommittee.

Representative Mason came forth with the changing of the word bingo licensee to veteran's licensee in Section 1 - subsection (p) Page 3

Representative Ethel Peterson brought out the fact that Section 1 - subsection (s) Page 4 should read veteran's licensee rather than bingo licensee. Bob Nugent explained that there were approximately a half dozen of those phrases that had not been caught, but it is being corrected.

Section 3 - subsection (d) Page 6 This language was suggested by Kansas Clubs and Associates represented by Rebecca Rice. This states that a contract cannot be subject to attachment, garnishment, execution, nor alienable or transferable.

Section 3 - subsection (o) line 4, Page 11, the word licensee should be added between organization and location.

Section 5 - subsection (b) - line 3, Page 13, the word and should be changed to or.

Section 5 - subsection (g) - Page 14, the subcommittee extended the time period before which a county

CONTINUATION SHEET

MINUTES OF THE HOUSE TOURISM COMMITTEE at on March 20,2002 in Room 243-N of the Capitol.

could hold an election again.

Section 7 - subsections (a) and (b) Page 16 provide for separate funds for live horse racing purse supplements and live dog racing purse supplements. This section is to have a technical clean-up.

Bob Alderson of the Kansas Greyhound Association came before the committee to give an explanation regarding Section 7 - subsections (a) and (b) Page 16.

Section 8 - (c) (1) Page 18 needs a technical amendment regarding a cap on problem gambling as well as numbers for percentages. Another technical correction that needs to be made is for the bill to read (that any overage would revert to the management). This change would need to be made in each paragraph 1.

Section 8 - subsection (b) Page 18, line 2 - The word not should be inserted after section 26, and before the word less.

Kansas Legislative Research submitted a chart of Comparison of Selected Bills Concerning Gaming: **HB 2890**, **HB 2897** and House Subcommittee Recommendations (Attachment 4)

There was a question regarding ages. Bob Nugent explained that you cannot be on a gaming floor at age 18 unless you are an employee. At age 18 a person can wager on the races, but you cannot operate a slot machine. You must be 21 years of age to gamble.

Bob Nugent stated that Section 17 - subsection (e) Page 22 needs a technical language change which he has not done yet This should read that appropriate security measures shall be required in any and all areas where electronic gaming machines are located, the Kansas racing and gaming commission shall approve all such security measures.

Representative Long thought Section 19 - subsection (d) line 1, Page 26 should be changed to read may rather than shall. There was considerable discussion regarding this with Representative Ethel Peterson saying that in subcommittee it was changed to shall. After discussion, it was decided to return to this paragraph of the bill at the March 25th meeting.

Section 24 - Page 28 was purposed by Kansas Clubs and Associates represented by Rebecca Rice. This section spells out that the licensees will submit to legal jurisdiction here in Kansas rather than some foreign jurisdiction.

Representative Aurand feels there should be a language change in Section 26 - Page 29 after the first sentence (with the approval of the governor, may contract to operate) after that we probably should have in there what I envision as an RFP type device whether it is Dodge City or Milford, if they both want to compete with that, basically, forward to the state there proposal to the state executive director. He felt we should look at this on Monday.

Section 26 - subsection b (1) Page 29 There should be a 1% added at the end of the sentence reading to the electronic gaming machine operation and regulation fund;

Bob Nugent continued with explanation of the bill and made mention that there is a technical correction to be made on Section 31 - Page 39 as well as on Section 32 - Page 39.

He also asked that the committee clarify the cap on problem gambling, Section 8, subsection (c) - (1) Page 18 and how they want to handle that and if they want to invert the way the payout is done and where does the excess go.

It was Representative Aurand's impression that the subcommittee had decided that everything goes into the electronic gaming machine fund which the state controls. The state does all the payouts and what is left over will belong to the state. That is the funding mechanism of the bill.

CONTINUATION SHEET

MINUTES OF THE HOUSE TOURISM COMMITTEE at on March 20,2002 in Room 243-N of the Capitol.

Following the explanation of the bill committee discussion and recommendations continued.

He also explained that everything goes into the electronic gaming machine fund which the state controls. The state does all the payouts and what is left over will belong to the state. That is the funding mechanism of the bill.

Representative Aurand stated that in Section 8, subsection (d) - (2) Page 18 should be changed from 28% to 63.5% to state licensee and Section 8, subsection (c) (3) should be changed from 30% to 61.5% to state licensee.

Representative Aurand recommended technical clean-up of Section 7 - subsection (a) and (b) Page 16 should have 20% of the 2% allotted to the live dog and live horse purse supplements.

Again addressing the full committee, Representative Aurand informed that in Section 3, subsection (n) Page 11 that the subcommittee changed the language to read shall dispense cash directly to the player and remove or be capable of dispensing.

Another point for further consideration, is the people who apply for that had to be a certain distance from the parimutuel licensee so we didn't have someone coming in for 30 miles away and competing with them. Representative Aurand will have an amendment to say that location must be 100 miles away from a pari-mutuel facility in order to protect the parimutuel licensees.

Representative Aurand will probably also bring an amendment regarding one location parimutuel facility has such direct competition in the Wyandotte County area on the Missouri side that in keeping with that 100 miles for the stand alone, that will allow and extra 2 to 2-1/2% to flow to any location that has a competing facility of over X number of slot machines.

Vice-Chair Peggy Palmer asked the audience if they had any amendments they wished addressed.

Keith Kocher of the Kansas Lottery made some suggested changes. Section 3, subsection (h) Page 8 language should be changed to Kansas Lottery and not Kansas racing and gaming commission, also subsection (j) Page 9 should also read Kansas Lottery and not Kansas racing and gaming commission. Another request by the Kansas Lottery is that Section 3, subsection (I) 2 Page 8 the following sentence be removed Except as provided by this act, the days and hours of operation and the number of such electronic gaming machines shall not be restricted.

The committee wished to leave the sentence in the bill.

Another change recommended by the Kansas Lottery is in Section 3, subsection (m) 3 Page 11 is to require the lottery to purchase the central communications lottery equipment subject to reimbursement by the operator.

Representative Aurand recommended using similar language to what was used in Section 3, Page 8 that says that each specific type of electronic of gaming machine shall be approved by the lottery.

This would be agreeable with the State Lottery.

Requested by the State Lottery is in Section 8, subsection (b) Page 17, the work not be inserted before the word less on line 2.

Another remark from Mr. Kocher of the Kansas Lottery is Section 14, Page 21 does not provide any penalty for violating the age restriction.

The next change proposal by the lottery is in Section 16, subsection (f) Page 22, is to add and technology providers to the last sentence in that paragraph. They also purposed switching subsection (g) and subsection (h).

CONTINUATION SHEET

MINUTES OF THE HOUSE TOURISM COMMITTEE at on March 20,2002 in Room 243-N of the Capitol.

In Section 18, subsection (b) 1, Page 23 it was suggested that electronic cards be added. Another change recommended would be to Section 18, subsection (b) 2, Page 24 and his language recommendations have been prepared and he will give them to Bob Nugent of the revisor's office as the change is much too hard to explain.

In Section 19, subsection (c) Page 26, they made the recommendation it be changed to read The Kansas lottery and Kansas racing and gaming commission.

In Section 23, Page 28, recommended change would be to change line 4 to Kansas gaming act.

Glenn Thompson representing Stand Up For Kansas addressed the committee regarding Section 1, subsection (z) Page 5. He asked for clarification of the last clause (*that has been in existence for at least five years*). His second comment was regarding Section 6, subsection (c) 2, Page 15 (at least five live horse racing programs each calendar week for at least 60 days) and going back to compare previous revision it appears that a sentence was left out.

Next to address the committee was Brad Smoot, legal counsel for the Woodlands. He called the committees attention to previous discussion of may and shall in Section 19, subsection (d). He states that the original Cox bill read May and it was not until the substitute was introduced that the word was changed to shall. He also stated that the decision when to levy fines was given to a regulatory body.

There were no further persons to address the committee and no further discussion.

Vice-Chair Peggy Palmer adjourned the meeting at 5:45 p.m.

The next meeting will be Monday, March 25th at 3:30 p.m. in Room 243-N.

HOUSE COMMITTEE ON TOURISM
GUEST LIST

DATE 3-20-02

NAME	REPRESENTING
Chris Grenz	Topeka Capital-Journal
Keith Kocher	Ks Lottery
Darreil Bencken	Ks VFW
E. L. "Tom" Farr	VFW Post 1650 Topeka
Stephanie Buchanan	DOB
Scott Anglemeyer	KDOC#H
Patrick Hurley	GTECH
Bob Anderson	KANSAS GREYHOUND ASSOC.
Wm. Gurr	Woodlands -
John C. Bottenberg	Woodlands
Phil Ruffin	Ruffin Co
Robin Jenson	Ruffin Co.
Tom Palace	PUMA OF KANSAS
Donna Doolin	SRS/SAPTR
Glen Thompson	STAND UP FOR K.S.
Marsha Strahm	CWV
Susan Bray + 12	SLV Co Lead Dev
Don Hobb	Hen Law PBP
Rebecca Gneuss	Fedwico Consulting
Genevieve Cissmann	KTA



Issue Update

Mike Taylor, Government Relations Director
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Expanded Gaming Options and Gaming Revenues

March 20, 2002

I have been asked by a number of legislators if the City of Wichita is taking an official position on the issue of expanded gaming options in Kansas. This *Issue Update* is intended to answer that question.

The Wichita City Council is not taking a position on the issue of expanded gambling in Kansas. The City Council believes decisions dealing with gaming are of statewide impact and are therefore best left for the members of the Kansas Legislature to decide. While the Wichita City Council is neutral on the issue of expanded gambling, it does have a position on the distribution of the revenues generated by additional gaming.

City of Wichita Statement on Expanded Gaming in Kansas

The City of Wichita believes decisions dealing with gaming are of statewide impact and are therefore best left for the members of the Kansas Legislature to decide. However, the City of Wichita believes local governments will be impacted by the expansion of gambling in Kansas and should therefore share in the revenues generated. With increased gaming options, comes increased demands on locally provided services, including law enforcement and public infrastructure such as streets. If the Kansas Legislature decides expanded gambling is in the best interest of Kansas, it is reasonable that local governments should receive a share of the revenues to help offset those increased costs. The City of Wichita believes at least 3% of the revenues generated by expanded gaming options should be shared with local governments.

House Tourism Committee

Meeting Date 3-20-02

Attachment 1

PATRICIA LIGHTNER
 REPRESENTATIVE, 29TH DISTRICT
 JOHNSON COUNTY
 9408 W. 106TH STREET
 OVERLAND PARK, KS 66212
 (913) 894-2668



TOPEKA

HOUSE OF
 REPRESENTATIVES

MAJORITY WHIP
 COMMITTEE ASSIGNMENTS
 MEMBER: HEALTH AND HUMAN SERVICES
 UTILITIES
 SOCIAL SERVICES BUDGET

STATE CAPITOL BUILDING,
 ROOM 175-2
 TOPEKA, KANSAS 66612-1504
 (785) 296-7693

To: Chairwoman Peggy Palmer and
 Members of the Tourism Committee

From: Representative Patricia Lightner *PL*

Date: March 19, 2002

Re: HB 2890

This written testimony is provided to the committee in support of my oral testimony given before you on March 18, 2002 in opposition to HB 2890.

I am opposed to expanded gambling because of the devastating consequences it will have on our state and our families. The following true story only all too clearly demonstrates the destruction that comes with the habit of an addicted gambler and the effects upon his family.

A friend of mine married for 22 years with four children ranging in ages from 21 to 6 years of age was married to an addicted gambler. She was away when the final notice to evacuate her house was delivered to her home, (she was unaware of the previous foreclosure warning notices). So this notice came as a total surprise since she had been helping to pay the house bills for years. She rushed back to pack so they could be out by 1pm the next day.

She learned only then that her husband had been gambling for the last few years. He had been spending the family income hers, (she's a teacher), and his (he works for an insurance co.) to support his gambling disease. He drained all the accounts including the children's individual accounts and their life savings. He cancelled the insurance on the cars and the house. He even had borrowed \$150,000.00 from his parents over a two-year period presumably to help with family expenses – Every cent was used to support his gambling addiction.

As a direct result of gambling, my friend lost her house – she lost her home. She lost her neighbors, her church and her community. Her 22-year marriage is over and her family life is in ruins. 9 months later, her parents have purchased a modest home for her and her children. The house is in her parents' name and will remain that way for a long time to protect her until such time that it is determined that there are no more outstanding

House Tourism Committee
 Meeting Date 3-20-02
 Attachment 2

bills. She may still even have to file bankruptcy, as the full extent of his damage is still not known.

I would like to mention that her ex-husband is a person you would never suspect to have a gambling problem. He went to church every Sunday, coached his children's different sport teams through the years and was a Boy Scout troop leader. He was everyone's ideal of an involved family man. A few months ago he was pulled over while driving in Missouri. It turned out there was a warrant for his arrest for writing a bad check in the amount of \$8,000.00. The fall-out from his addiction is still taking its toll.

This is the experience Johnson County is already having with local, neighborhood gaming, thanks to the proximity of the Missouri gambling establishment.

I believe it's important that you keep in mind not just the economic factor when you debate this bill but the human factor and the reality of what cost may be involved on our neighbors and our friends. If this can happen to my friend it very well could happen to one of yours.

Thank you for allowing me to testify before you and submit this testimony.

PATRICIA LIGHTNER

Patricia Lightner Column #29

What the Gambling Industry Won't Tell You

You're not just losing, you're being taken

By BRIAN O'KEEFE

From SMARTMONEY

1. "You Can't Win."

Most casino patrons probably don't realize just how heavily the odds are stacked against them. Take keno, in which you pick a string of numbers, hoping to match them to what the casino randomly generates. The odds of hitting, say, the "ten spot" — a string of ten numbers — are nine million to one. (Dying from a dog bite is 60

times more likely.) Despite those odds, a \$2 bet usually pays off at only \$50,000 to \$200,000.

One reason slot machines are popular is that they offer a shot at a large jackpot for little investment. For example, \$3 gets you a chance at the Megabucks jackpot, which links slot machines in Nevada and builds like a state lottery from a

PHOTO ILLUSTRATION BY AARON GOODMAN



base of \$7 million. The odds of winning? Owners of the machines say they don't quote the odds but admit that they're "in the millions to one."

Okay, so maybe you won't win the jackpot in slots. But surely you have a decent shot at walking out ahead of the game, right? Don't count on it. "Slot machines are the biggest moneymakers in the casino," says John Alcamo, author of *Casino Gambling Behind the Tables*. Experts like Alcamo seldom play games that give the house more than a two-percent advantage, and 25 cent slot machines put the advantage at five to eight percent.

A safer bet? Blackjack, in which the house advantage is approximately one percent.

2. "When you think you've won, we might not pay you."

In September 1996, Cengiz Sengel and his wife went into the Silver Legacy casino in Reno, Nev., got a \$20 bag of quarters and headed to a slot machine. A few pulls later, three jackpot symbols appeared in the windows. The Sengels jumped up and down as fellow slot players congratulated them. They had just won nearly \$1.8 million. Or so they thought.

A representative of the company that owned the slot machine denied

the Sengels the payout because the machine malfunctioned. The couple appealed all the way to the state supreme court, which ruled against them.

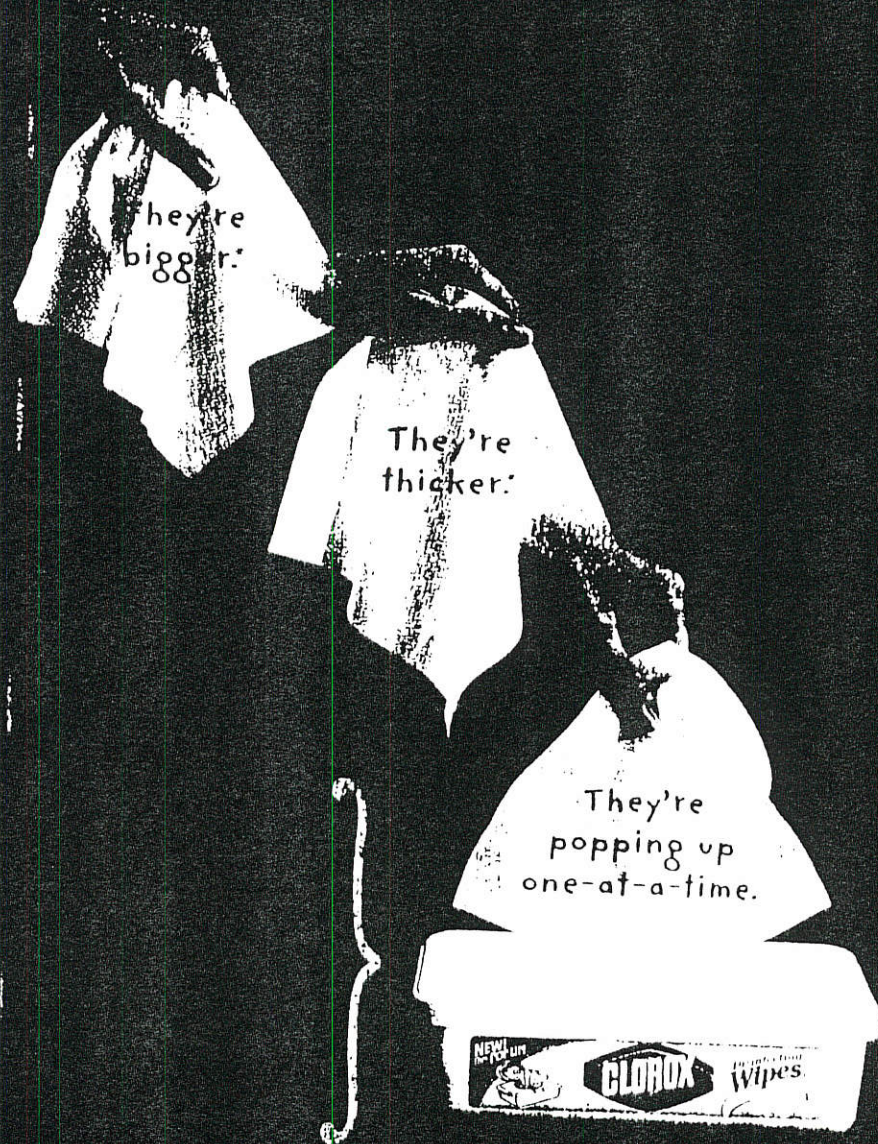
Hearing officer Todd Westergard of the State Gaming Control Board says the decision was fair. According to Nevada law, it's the computers inside the machines, not what appears in the window, that determine winners, he says. And in the Sengels' case, the computer connection was disrupted.

But gamblers don't care about the technical explanations. "The main thing is that we got those three symbols," says Sengel. "They found a way not to pay us."

3. "Addicts keep us in the money."

Duke University professors Charles Clotfelter and Philip Cook conducted a study for the National Gambling Impact Study Commission that found that ten percent of lottery players account for 68 percent of lottery sales. Similarly, University of Illinois professor Earl Grinols estimates that up to one-third of casino revenue comes from problem or pathological gamblers.

And there are disturbing cases in which casinos allow known gambling addicts to continue betting. After losing \$1 million, Houston businessman Joe McNeely sent a let-



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ter to several Louisiana casinos asking that they not allow him to gamble. But that did not prevent him from losing another \$2 million. McNeely then sued five casinos, claiming they continued to market to him aggressively, even after they were aware of his addiction.

Representatives of one establishment, he says, even showed up at his mother's funeral and invited him to stop by. Although McNeely hadn't registered with the state's self-banning system (which lets an individual put himself on a list to be barred from gambling establishments), the casinos settled the suit for an undisclosed amount.

4. "Your children are getting hooked ..."

Today, more kids gamble than are involved with drugs, smoking or drinking, according to Jeff Derevensky, a psychology professor at McGill University in Montreal. One reason: they are growing up with a message that wagering is acceptable. To make matters worse, Derevensky has found that the addiction rate among youths is two to four times that of the population at large.

Though it's illegal to play most lotteries if you're younger than 18 or 19, studies show that a high share of adolescents buy tickets—32 percent in Louisiana, 34 percent in Texas and 35 percent in Connecticut. How? In some states, ticket sales aren't always monitored. Plus, automated machines

in public places like airports and stores—in use in 29 states—make it easy for young people to play.

And it's not just lotteries that are attracting kids. Pete Earley, author of *Super Casino*, points to the new family-friendly atmosphere promoted in Las Vegas. Although the gaming industry says the kiddie attractions are designed simply to entertain children whose parents are vacationing there, Earley disagrees. "It's calculated," he says. "You're encouraging future generations to come there, and reinforcing that gambling is okay."

5. "... and so are your parents."

Dennis McNeilly, a psychologist at a geriatric clinic in Omaha, saw a sharp increase in cases of problem and pathological gambling in the three years following the opening of a nearby casino. A possible explanation? Some casinos, he says, tailor their marketing to attract an older crowd.

The Station Casino in St. Charles, Mo., for instance, has a Golden Opportunities Club in which people 55-plus can earn credits toward meals and gift-shop discounts. Some casinos run shuttle buses from retirement homes. The critics say the industry even has a term—"third-of-the-month club"—to describe gamblers whose casino trips coincide with the arrival of their Social Security checks.

"Senior problem gamblers are get-

OFFICIAL COURT NOTICE

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF ILLINOIS

In re: MCI NON-SUBSCRIBER TELEPHONE
RATES LITIGATION

§ MDL DOCKET NO. 1275
§ ALL CASES
§ (Judge David R. Herndon)

IF YOU PAID MCI'S NON-SUBSCRIBER RATES AND SURCHARGES FOR DIRECT-DIALED DOMESTIC AND/OR INTERNATIONAL LONG DISTANCE TELEPHONE CALLS AT ANY TIME FROM FEBRUARY 5, 1996 TO OCTOBER 15, 2000, YOU MAY BE ENTITLED TO A REFUND OF THESE CHARGES THROUGH A CLASS ACTION SETTLEMENT. PLEASE READ THIS NOTICE.

The proposed settlement is for a class action pending in the United States District Court for the Southern District of Illinois: In re MCI Non-Subscriber Telephone Rates Litigation, MDL Docket No. 1275. The plaintiffs allege that MCI improperly charged many of its subscribers Non-Subscriber Rates And Surcharges (which were generally higher than subscriber rates) for "Direct Dialed" long distance calls. (A domestic Direct Dialed call is placed by dialing "1," plus the area code, plus the telephone number. An international Direct-Dialed call is placed by dialing "011," plus the country and city codes, plus the telephone number.) The settlement will enable Class Members to get refunds of the amounts they overpaid as a result of being charged Non-Subscriber Rates And Surcharges rather than subscriber rates. If you were an MCI subscriber and paid such charges for Direct-Dialed long distance calls at any time from February 5, 1996 to October 15, 2000, you are a Class Member and can make a claim.

Your past phone bills will not specifically state whether you were charged Non-Subscriber Rates And Surcharges. Please note, however, that MCI often charged subscribers these rates and surcharges after their accounts were removed from MCI's billing system. The reasons that subscribers' accounts were removed from MCI's billing system included: termination of the accounts for non-payment, processing errors when long distance service was changed to MCI, and processing errors when service with MCI was discontinued. If you made a change in your long distance service or experienced a service interruption, you might have been charged Non-Subscriber Rates And Surcharges.

A hearing will be held on March 29, 2001, at 9:30 a.m., before the Honorable David R. Herndon, United States District Judge, at the United States District Court for the Southern District of Illinois, 750 Missouri Avenue, East St. Louis, Illinois 62201, to decide whether the proposed settlement should be approved.

If you are a Member of the Class, you do not need to do anything to remain in the Class for the settlement. You will be bound by all proceedings, orders, and judgments entered in connection with the settlement, whether favorable or unfavorable. If you do not exclude yourself from the Class, and the settlement is granted final approval, entry of the judgment will release any claims you may have based on MCI's charging you Non-Subscriber Rates And Surcharges for Direct Dialed domestic and/or international long distance telephone calls during the period from February 5, 1996 to October 15, 2000.

HOW TO GET MORE INFORMATION AND SUBMIT A CLAIM

- **By Internet:** You can get more information and submit a claim at the Website www.rateclaims.com. At this Website, you can also view and print a more detailed legal notice and the claim form.
- **By Telephone:** You can also get more information and submit a claim by calling 1-800-967-9425.
- **By Written Request:** You can also obtain the detailed notice and the claim form by writing to the Claims Administrator at the following address:

MCI Non-Subscriber Telephone Rates Litigation
P.O. Box 5053
Portland, Oregon 97208-5053
Toll-free line: 1-800-967-9425

• **Please Note:** The deadline to submit your claim is April 30, 2001.

HOW TO EXCLUDE YOURSELF FROM THE CLASS OR OBJECT TO THE SETTLEMENT

If you exclude yourself from the Class, you will not participate in the settlement, and you will not receive the benefits of the settlement. You will not be bound by the judgments to be entered pursuant to the settlement, and none of your claims will be released. If you want to be excluded, you must mail or deliver, such that it is RECEIVED on or before March 19, 2001, a written request for exclusion to the Claims Administrator at the following address:

MCI Non-Subscriber Telephone Rates Litigation
P.O. Box 5053
Portland, Oregon 97208-5053

The exclusion request must also comply with the other requirements set forth in the detailed legal notice referred to above.

Any objection to the settlement must be mailed or delivered such that it is RECEIVED by each of the following no later than March 19, 2001:

GIRARD & GREEN, LLP
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A. J. De Bartolomeo
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CARR KOREIN
TILLERY KUNIN
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Attorneys for Defendants

CLERK OF THE COURT
UNITED STATES
DISTRICT COURT FOR
THE SOUTHERN
DISTRICT OF ILLINOIS
750 Missouri Avenue
East St. Louis, Illinois 62201

Any objection must also comply with the other requirements set forth in the detailed legal notice referred to above.

This is only a summary of the settlement, which is described more fully in the detailed legal notice.

PLEASE DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE.

DATED: December 26, 2000

BY ORDER OF THE UNITED STATES
DISTRICT COURT FOR THE SOUTHERN
DISTRICT OF ILLINOIS

What the Gambling Industry Won't Tell You

ting destroyed by gambling," says Ed Looney, executive director of the Council on Compulsive Gambling of New Jersey. And unlike younger people who become addicted, seniors don't have time to rebuild their finances when they get in trouble.

6. "We've got legislators in our pocket."

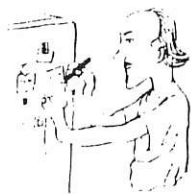
Policy makers have become reliant on casino money and it's not just in the form of taxes. In 1998, Congressional and Presidential candidates received \$6.2 million from the gam-

ing industry, up from \$1.2 million in 1992. And from 1997 through 1999, the industry spent \$22.5 million lobbying federal lawmakers, according to political watchdog Common Cause.

With that kind of spending, it would be tough to pass anti gaming legislation, says William Thompson, professor of public administration at the University of Nevada at Las Vegas. "They've got the bucks, and the opposition doesn't."

■ Tell us what you think in the Discussions at readersdigest.com. For reprints, click on Reprints or call 800-289-0457.

HOW DO I LOVE THEE?



If my house were on fire, here's what I'd save: our wedding album (actual proof I was once a size four), my grandmother's handwritten recipes, and a half-dozen sheets of lined paper ripped out of a notebook, covered in red ink that's starting to fade—my husband's love letters, circa 1985.

There are three letters in all, enough to last me a lifetime—a good thing, considering he hasn't written one since. In all fairness, though, that's not entirely true. It's not that husbands stop writing love letters, it's that they tend to look somewhat different from the kind that boyfriends write.

Take one I found on the table last week: "Hon: Please be very careful driving to the barn. The roads could be slippery. Me."

Or how about this one, penned in green on the back of a Chinese menu left by the phone: "Started the laundry and took videos back. Here's some \$\$\$\$. Don't worry about dinner. I'll pick something up." They don't have quite the same ring as "How do I love thee? Let me count the ways..."

On the other hand, when you come right down to it, aren't they basically saying the same thing?

— NANCY SHULINS, *Every Day I Love You More* (Warner)

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Placed on the National Register of Historic Places 1984

Dick & Mary Louise Taylor
4831 SE 61st Street
Berryton Kansas 66409

Home phone (785) 862-9039
~~Office phone (913) 285-1866~~

To members of the House Committee working this gambling measure.

Never in my 22 years working for less suffering from alcohol consumption and legalized gambling did a Committee Hearing last from 3:30 to around 7:30 p.m.! When someone finds fault with lawmakers my response is, "But don't ever say they do not work hard and long!"

On December 22, 1860, Lincoln wrote a southern friend, "You think slavery is right and ought to be extended, while we think it is wrong and ought to be restricted."

I did my best to explain how commercial gambling hurts persons, hurts society, and hurts the economy. The issue is not revenue. The issue is a criminal activity by definition - a swindle. Bingo and horse racing have ALWAYS been legal in Kansas. Bingo gambling and horse racing gambling was ALWAYS the issue. Legal gambling does produce revenue. Legal prostitution does produce revenue.

Kansas entered the Union under the Wyandotte Constitution that said lotteries and the sale of lottery tickets are forever prohibited. Our founders came from other states and knew the personal, social and economic damage resulting from gambling.

Kansas entered the Union as a FREE STATE - Freedom from chattel slavery and freedom from slavery to a swindling operation called commercial gambling.

Please vote for freedom from increased personal, social and economic problems that will be caused by extension and expansion of commercial gambling in Kansas.

Respectfully yours,

Dick Taylor

Rev. Richard Taylor, since 1948 a member of the Kansas West Conference, United Methodist Church.

(Here are statements from the little booklet THE FOOL'S GOLD IN GAMBLING given you at the Hearing)

House Tourism Committee
Meeting Date 3-20-02
Attachment 3

Horace Lyons came to Kansas Territory in 1856 to make this a free state, claimed this quarter section, and built a stone house. His grandfather helped throw the tea overboard in Boston. In 1860 he pre-empted this 160 acres and began construction of a new house, the one we live in. Today it is as built except the kitchen pantry is now a bath room. Rock from his 1856 house was used for the walls of the barn you see at left. We have spent years saving this old house and lots of work remains to be done. First owned by one who settled here, then by his daughter, then by his grandson, we count it an honor to call this place OUR HOME. Come share the joy. Come in the evening, come in the morning. Come when expected, come without warning.

Our house is easy to find — 6 miles south of the Oregon Trail, 13 miles north of the Santa Fe Trail, 49 miles south of the Pony Express Route, 88 miles east of the Chisholm Cattle Trail, and 162 miles southeast of the geodetic center of North America. If those directions are not enough, come 8 miles southeast of Topeka to Southeast 45th and Paulen Road, then 2 miles south to 61st, then 3/4ths of a mile east to 4831 SE 61st. You'll see this grand old house behind a tall native cedar windbreak. Drive up our long lane and walk this hallowed historic ground.

The fool's gold in gambling

States learn how hard it is to control gaming

After reading the above article, I went to the Statehouse Unabridged Dictionary by Random House and looked up "fool's gold - iron or copper pyrites, sometimes mistaken for gold." Immediately following was "fool's paradise - a state of enjoyment based on false beliefs or hopes; a state of illusory happiness."

Gambling revenue is fool's gold and those who believe economic development is helped by laws that cause more people to lose more money are living in a fool's paradise.

The Wall Street Journal explained how gambling "is technically a swindle" and said "the case for legalized gambling is simply an argument in favor of the government raising revenue by swindling its citizens rather than by taxing them."

Gambling and the Government, January 4, 1974

A swindle is theft by deception. Stealing is TAKING from others.

By law, gambling is (1) PAYMENT for a (2) CHANCE to (3) TAKE from others. One winner takes from many losers. The winner does not earn the prize and has done nothing to deserve it as a reward. The loser does not make a voluntary gift to the winner. All have agreed to steal from each other. (If any one of the above three elements is missing, it is not gambling).

TV game shows, publisher's sweepstakes, and supermarket promotions are not gambling because PAYMENT is not required - no purchase necessary. Prizes are paid with advertising money so there are no losers.

Talk back when others ask, "What is wrong with gambling?" Ask them, "What is wrong with swindling?" "What is wrong with shoplifting?" "What is wrong with stealing?"

Gambling is a criminal activity unless legalized. Swindling, shoplifting, and stealing are criminal activities unless legalized.

"Gambling is the child of avarice, the brother of inequity, the father of mischief. It has been the ruin of many worthy families . . . The losing gamester, in hopes of retrieving past misfortunes, goes on from bad to worse . . . an abominable practice."

George Washington to nephew Bushrod Washington

Las Vegas is full of economic blood suckers. The life blood of this nation is the Gross National Product. Casinos are rich in Las Vegas because they suck GNP wealth out of other states. If every city in every state had casino gambling, Las Vegas would be just another city.

The mayor of Las Vegas told visitors to remember "all of these plush hotels and casinos around here were built by people like you - with your gambling losses. Very few of our permanent residents gamble. They couldn't afford to live here if they did."

TOPEKA CAPITAL-JOURNAL Jan. 16, 1972

Gambling promoters are winning in state after state because uninformed people equate RISK with GAMBLE when they say farming is a gamble, the stock market is gambling, the quarterback gambles on the choice of plays, or a new business venture is a gamble. All these activities involve RISK but they are not GAMBLING.

The stock market is PAYMENT for SOMETHING OF VALUE that may increase or decrease in value. Selling stock helps a new company obtain capital and launch a business that may add greatly to the gross national product. There are stock market speculators, land speculators, old car speculators, antique speculators, and art speculators. They want to make money buying and selling. What they do is a business risk, not gambling.

Gambling defenders want the public to believe that GAMBLE and RISK have exactly the same meaning. It is a half-truth. Gambling involves risk because it is PAYMENT for a CHANCE to TAKE from others who receive nothing of value in return. When the gambling game is over, the loser has nothing.

Many say gambling is trying to get something for nothing. If nothing (NO PAYMENT) is required, it would not be gambling. There would be no losers. For most people, gambling is getting nothing for something. Gambling is an enemy of economic development.

Risk is the friend of economic development. Every new business that may employ many people is a risk. Every new product that may help the company make money is a risk. The farmer takes a risk when he plows the ground, buys the seed, spends time and effort to care for the crop, hoping the rains will come without hail, and he will harvest enough to make a living and feed the nation. He works hard producing for others. Gamblers want only to take from others.

"The thing that bothers me most about it is that when people gamble away their money, they don't spend it on an honest product that someone has put work into. There's only so much money, and if it is lost at a gambling table, it is taken out of the productive part of our economy. Who would you rather see employed, a blackjack dealer in a casino in Las Vegas or a machinist at an automobile assembly plant in Detroit?"

Andy Rooney TOPEKA CAPITAL-JOURNAL, August 24, 1983

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(16) GAMBLING REVENUE IS PAINLESS TAXATION

Tell that to the wife when the paycheck is gambled away at the race track. Tell that to the kids when grocery money is gambled away on lottery tickets. Tell that to the compulsive gambler when career and life are destroyed. Tell that to the young person who thought hard work and an education were not needed, but expected to strike it rich gambling.

"Gambling adversely affects business. INEFFICIENT EMPLOYEES. Workers will be prone to waste time by visiting or roaming about in search of a racing form, the latest sporting news, the implant bet collector. ACCIDENT-PRONE-EMPLOYEES. When a gambler becomes a loser - and in the long run they all do - he becomes worried, distracted, perhaps tense as debts mount. POTENTIALLY DISHONEST EMPLOYEES. As losses mount, the employee may resort to a loan shark to bail himself out. He becomes subjected to such intense loan-shark pressure that he begins to steal or embezzle from the company."

DESKBOOK ON ORGANIZED CRIME
Chamber of Commerce of the United States

"This new legitimacy of once illegal forms of betting is undermining traditional attitudes toward work and play, saving and investing, even right and wrong." NEW YORK TIMES (1989)

"Gamblings get-rich-quick appears to mock capitalism's core values: disciplined work habits, thrift, prudence, adherence to routine and the relationship between effort and reward."

TWENTIETH CENTURY FUND of NEW YORK (1989)

"Yet for the past decade, in state after state, citizens have eagerly welcomed not only legalization but government sponsorship of gambling, an activity that was once generally regarded as a vice and that many experts consider as addictive and socially destructive as narcotics."

FINANCIAL WORLD, March 5, 1990

COMPARISON OF SELECTED BILLS CONCERNING GAMING: HB 2890, HB 2987, AND HOUSE SUBCOMMITTEE RECOMMENDATIONS				
	HB 2890 (Representative Cox)	HB 2987 (Committee on Tourism)	House Subcommittee Recommendations	
Games Authorized	Electronic gaming machines	Electronic gaming machines	Electronic gaming machines	
Authorized Locations	Parimutuel tracks; fraternal or veterans' bingo licensees	Parimutuel tracks	Parimutuel tracks; veterans' organizations; at-large location	
Regulatory Agencies	Kansas Lottery; Racing and Gaming Commission; Bingo Administrator	Kansas Lottery; Racing and Gaming Commission	Kansas Lottery; Racing and Gaming Commission	
County Election Required	Yes	Yes	Yes; not more often than every four years	
Required Payout	At least 82 percent	At least 87 percent	At least 87 percent	
Limits on Number of Machines	Yes	No	Yes	
Sales Tax Exempt	No	Yes	Yes	
Effective Date	Statute Book	Statute Book	<i>Kansas Register</i>	
Disposition of Net Gaming Revenue	Parimutuel Licensees:		Parimutuel Licensees:	
	Regulation	1.00%	Regulation	1.00%
	Problem Gambler	0.50%	Problem Gambler	0.50%
	County	1.00%	County	0.50%
	City	1.00%	City	0.50%
	State General Fund	20.00%	Soldiers and Vet. Fund	0.25%
	Horse Supplements	7.00%	Dog Supplements	3.50%
	Dog Supplements	7.00%	Horse Supplements	3.50%
	Nonprofit Organizations	1.00%	Nonprofit Organizations	1.00%
	Management Fee	61.50%	State General Fund	21.00%
		100.00%	Management Fee	68.50%
				100.00%
	Bingo Licensees:			Parimutuel Licensees:
	Regulation	1.00%	Regulation	1.00%
	Problem Gambler	0.50%	Problem Gambler	0.50%
	County	1.00%	County	0.50%
	City	1.00%	City	0.50%
	Veterans' Cemeteries	8.00%	State General Fund	28.00%
	State General Fund	25.00%	Horse Supplements	2.00%
	Management Fee	63.50%	Dog Supplements	2.00%
		100.00%	Nonprofit Organizations	1.00%
			Statehouse Renovation	1.00%
			Management Fee	63.50%
			100.00%	
		Veterans' Licensees:		
		Problem Gambler	0.50%	
		County	0.00%	
		City	0.00%	
		Veterans' Cemeteries	8.00%	
		State General Fund	30.00%	
		Management Fee	61.50%	
			100.00%	
		At-Large Location:		
		Regulation	1.00%	
		Problem Gambler	0.50%	
		Tourism Fund	2.00%	
		Horse Supplements	0.00%	
		Dog Supplements	0.00%	
		State General Fund	36.50%	
		City	Contract Bid	
		County	Contract Bid	
		Management Fee	60.00%	
			100.00%	

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House Tourism Committee
 Meeting Date _____
 Attachment _____