

MINUTES OF THE HOUSE FEDERAL AND STATE AFFAIRS COMMITTEE

The meeting was called to order by Chairman Arlen Siegfroid at 1:30 P.M. on March 12, 2007 in Room 313-S of the Capitol.

All members were present.

Committee staff present:

Mary Torrence, Office of the Revisor of Statutes
Kathie Sparks, Kansas Legislative Research Department
Dennis Hodgins, Kansas Legislative Research Department
Mike Heim, Revisor of Statutes Office
Carol Doel, Committee Assistant

Conferees:

Representative Wetta
Pam Davis, Kansas Thoroughbred Association
Janis Hellard, Chairman of Sumner county EcoDevo
Shelley Hansel, Chamber of Commerce
Jeff Thorpe, Boot Hill Gaming, Dodge City
Steve Ward, president Kansas Greyhound Association
Doug Lawrence, Ruffin Companies
Lise Streit, Executive Director Kansas Horse Commission
Andy Sanchez, Kansas AFL-CIO
Jeff Rutland, Kansas Quarterhorse Association
Betty Melson, Eureka Downs
Ross Vogel, Kansans for Economic Growth
Cindy Cash, Kansas Chamber of Commerce
Chuck Yunker, American Legion
Ron Hein, Prairie Band Potawatomi Nation
Glenn Thompson, Stand Up For Kansas
Gary Winget, Kansans for Addiction Prevention
Carl Hill, Chief of Staff, Kansas Association of Public Employees

Others attending:

See attached list

Chairman Siegfroid opened the floor for bill introductions.

Representative Brunk requested a bill that eliminates the waiting week on unemployment insurance benefits. The Chair moved the bill with a second by Representative Ruiz. With no objections, the bill will be accepted.

Representative Olson requested a bill putting the Board of Public Utilities under the KCC. The Chair moved the bill with a second by Representative Peterson. With no objections, the bill will be accepted.

There were no other bill introductions.

Chairman Siegfroid opened the floor for hearing on **HB 2055** - Casino gambling at casinos and racetracks in Wyandotte, Crawford and Cherokee counties and at racetracks in Sedgwick and Ford counties.

Representative Peterson introduced the people in the gallery who were in attendance to support gaming. The groups included the Kansas Greyhound Association, Kansas Thoroughbred Association, Kansas Quarter Horse Association, Kansas Horse Council, The Woodlands Race Track, The Greyhound Park, Eureka Downs, Anthony Downs, Cherokee County, Crawford County, Sumner County, Wyandotte County, Ford County, and various economic interests like the Unified Retiree Groups.

Representative Vince Wetta addressed the Committee in support of **HB 2055** and enlightened them on his district which includes Anthony Downs. His district is mostly farm land. They have three prevalent industries in Kansas, farming, oil and aircraft manufacturing. Representative Wetta stated that Sumner

CONTINUATION SHEET

MINUTES OF THE House Federal and State Affairs Committee at 1:30 P.M. on March 12, 2007 in Room 313-S of the Capitol.

County wants a destination casino. The Representative introduced Janis Hellard and Shelley Hansel to further advise the Committee on their position on gaming. (Attachment 1)

Janis Hellard, Sumner County Economic Development Commission, approached the Committee to present testimony in support of **HB 2055**. Ms. Hellard related that they are asking for legislation to allow Sumner county to be included in a South Central Kansas Zone and be allowed to have a destination resort casino. Ms. Hellard stated that Sumner county needs new job opportunities that offer good wages and benefits. They are primarily agricultural and aviation based in employment and need to diversify their employment base. Increased tourism is another reason they want a destination resort casino. "A destination resort casino would have economic impacts on their county, region and the State that most people don't even consider", said Mrs. Hellard. (Attachment 2)

Shelley Hansel, Executive Director, Wellington Area Chamber of Commerce gave testimony supporting **HB 2055**. Ms. Hansel gave the opinion that Sumner County is the perfect location for a destination resort casino. The State needs money. Expanded gaming provides money. Sumner County needs the economic development and are more than willing to work with the State and neighboring counties to make it happen. (Attachment 3)

Ms. Hellard and Ms. Hansel provided material for the Committee to review regarding information on gambling. (Attachment 4)

Jeff Thorpe, Board of Directors - Boot Hill Museum, Inc. and President, Boot Hill Gaming, Inc. approached the Committee to voice his support of **HB 2055**. Mr. Thorpe reported the opinion that the passage of the bill would 1) maximize tax revenue to the State of Kansas, 2) enhance entertainment opportunities in Kansas communities, 3) enhance economic opportunities in Kansas communities, and 4) provide a sustainable, realistic business model. (Attachment 5)

The Greyhound Association was represented by their President, Steve Ward who spoke in favor of the passage of **HB 2055**. Mr. Ward gave the opinion that in a world where gaming has become part of the economy in nearly every state, it is a mistake to limit the ability of any gaming facility to compete for customers. Leaving our Kansas racetracks out of any expanded gaming proposal would devastate an important industry that reaches far beyond the racetrack facilities. (Attachment 6)

Jeff Rutland of The Kansas Quarter Horse Racing Association asked the Committee for their support of **HB 2055**. Mr. Rutland gave the opinion that to allow horse racing to disappear from Kansas would be a tragedy to our economy and to our heritage. (Attachment 7)

Testimony supporting **HB 2055** was given on behalf of the Ruffin Companies by Doug Lawrence. Mr. Lawrence said that **HB 2055** is the result of several years of effort in the Kansas Senate to craft legislation, which allows the state to responsibly begin the process of recapturing millions of dollars in revenue lost to our neighboring state through gaming. He further stated that we have the costs associated with gaming, but we don't have the benefits. (Attachment 8) Mr. Lawrence also submitted "Key Provisions of **HB 2055**" for review by the Committee. (Attachment 9)

Lise Streit, Executive Director Kansas Horse Council stated that they represent all the horse owners in the State of Kansas. The Council is in favor of **HB 2055** as it would help the horse industry. There are 116 horse oriented clubs in the State of Kansas and about 115 4-H clubs. They are in the process of trying to develop a multi-million dollar equi-center which would bring people from all over the United States to compete. They are building horse communities strictly designed for horse development. There are 93 listed stables in the State of Kansas. The Council has a \$5 million impact on Sedgwick County from horse events. In conclusion, Ms. Streit stated that the Kansas Horse Council thoroughly supports **HB 2055**. (No Written Testimony)

Andy Sanchez, Executive Secretary-Treasurer, Kansas AFL-CIO stated that **HB 2055** means job opportunities for the members of the AFL-CIO. Mr. Sanchez gave the opinion that **HB 2055** should pass on its own merits of generating revenues to do good. (Attachment 10)

CONTINUATION SHEET

MINUTES OF THE House Federal and State Affairs Committee at 1:30 P.M. on March 12, 2007 in Room 313-S of the Capitol.

Betty Melson was raised in the Flint Hills of Butler County, and for the past 21 years has lived in Greenwood County. Ms. Melson stated that she is very passionate when it comes to her community and horse racing in Kansas. Eureka Downs is a huge part of the heritage of their community. Ms. Melson requested that the Committee support **HB 2055** not only for the racing industry, but also for the historical heritage of Eureka Downs and to keep a Kansas family together in Kansas. ([Attachment 11](#))

Ross Vogel from Kansans For Economic Growth, presented the summary of findings of a recent study of voters in Kansas. The survey reveals that a strong majority of registered voters supports allowing additional casinos in Kansas. They support **HB 2055**. ([Attachment 12](#)) Mr. Vogel also submitted casino marker maps for review ([Attachment 13](#)) as well as *The Southeast Kansas Gaming Facility Impact* ([Attachment 14](#))

The Kansas City Kansas Area Chamber of Commerce President/CEO, Cindy Cash stated that the Chamber has long supported expanded gaming in Wyandotte County and the State of Kansas. In her testimony, Ms. Cash, listed six reasons that they support the passage of **HB 2055**. ([Attachment 15](#))

Chuck Yunker presented testimony for the American Legion Department of Kansas supporting the passage of **HB 2055**. The American Legion presented a limited video lottery proposal. ([Attachment 16](#))

Carl Hill, Chief of Staff of the Kansas Association of Public Employees addressed the Committee to express their support of **HB 2055**. Mr. Hill opined that it is time for Kansas to get in the game and recoup the revenue that neighboring states siphon from Kansas gamblers. ([Attachment 17](#))

There were no other proponents wishing to address the bill and the Chair recognized Ron Hein, legislative counsel for the Prairie Band Potawatomi Nation, as an opponent to **HB 2055**. Mr. Hein spoke on the gambling history and the effect gambling expansions would have on economic development in the State of Kansas. He related that **HB 2055** is not the way to expand gambling. Mr. Hein also spoke on problem gambling. ([Attachment 18](#))

Stand Up For Kansas was represented by their Executive Director, Glenn Thompson. They oppose **HB 2055**. Mr. Thompson stated that his answer for why he opposes the expansion of gambling is as simple as ABC. **A**ddiction, **B**ankruptcy, **C**rime and **C**orruption **D**estruction of families and businesses. ([Attachment 19](#)) Also included for Committee review was an article entitled "I am a compulsive gambler!" ([Attachment 20](#))

Gary Winget provided testimony opposing **HB 2055** on behalf of the Kansans For Addiction Prevention. Mr. Winget presented KAP views on addictive behaviors, economics and the legislative responsibility in the business of gambling. ([Attachment 21](#))

Written testimony supporting **HB 2055** was provided by Harry Brockish ([Attachment 22](#)), Herbert Hickman ([Attachment 23](#)), Ed Redmon ([Attachment 24](#)), Dean Kelley ([Attachment 25](#)), Ed Hayes ([Attachment 26](#)), Ernie Claudel ([Attachment 27](#)), Donna Meeker ([Attachment 28](#)), Ted Roberts ([Attachment 29](#)), Beverly Peaslee ([Attachment 30](#)), Joan Buchanan ([Attachment 31](#)), Unified Government Public Relations, Kansas City ([Attachment 32](#)), Kansas Racing, L.L.C. ([Attachment 33](#))

Written testimony in opposition to **HB 2055** was submitted by The Humane Society ([Attachment 34](#)), and Kathy Bassett ([Attachment 35](#))

With no other person wishing to address the bill, Chairman Siegfried closed the hearing on **HB 2055**.

With no other business before the committee, the Chairman adjourned the meeting.

FEDERAL AND STATE AFFAIRS

GUEST LIST

Date March 12, 2007

Max Atwell	ERNE Claude
CARLTON McNAIR	Charles W. Nassbaum
Lee Smith	Melvin Zeller
Sharon Miller	Jim Thomas Ks. Horse Council
Ann White - KHC	Carl Hill KAPE
Wally - KHC	WAM Kelly II
Sue Datto KHC	Margy Berg-Voth
Inez Fodor KHC	Ray Voth
Gregg REDD KHC	Lance Gabriel
Dwight & Marybeth Cooper KHC	Donald Rice
Betty Morgan KNEA-Ret.	Don Shulley
Concill Koppers KPCRS	Beverly Peaslee
Arvida Epp KPCRS	William D. Peaslee
Betty Ludwig KPCRS	Ed Redman
Mona Flory KPCRS	Keith Cole
David Assman Ks & thoughtless case	
John Layton KTH	Sharon Ferro
Harry Brockert	Kelly Norman KPCRS
Sam Davis	LARRY MAW KPCRS
Jack Foster - KTA	Robert & Dr KPCRS
Bill Lacey	Donna Maben
Ray E Reel	Steph Meekins
MIKE WILSON	Stephanie Mead KQHRA
Richard Long	Renee Jones KQHRA
Sharon McLammon	Aiton Hoover KQHRA

**FEDERAL AND STATE AFFAIRS
GUEST LIST**

Date _____

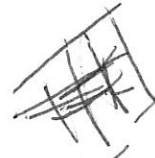
Ed Hayes	
Jerry Marshall	
Sam Suss	
Carol Kurb	
William H. Hay	
Richard Long	
Richard Stuber	
Jerry Mentzer	
Gary M. Behrman	
Louis L. Beard	
Milton Berg	
John D. Rice	
John Rothland	
William H. Foxboro	
Kevin F. Houghton Associates	
Boyle Snyder	Am. Legion
Charles Yunker	✓
Ed Dewar	
Robert Rodger	KFA - KAFKA
Jan L. Blum	Retired
Whitney Darnin	Kickapoo Tribe / Sec. for Wash
Kevin Balone	Summer Co. Eco-Devo
Dennis Phillips	KSCFF
Ed Reclaw	KSCFF
Robert King	TFD-RTD

FEDERAL AND STATE AFFAIRS

GUEST LIST

Date 3/12

JAMES CRAVENS	DIST # 2 EF. RET.
Andy Schupp	Sedgwick County
David Kersinger	Kersinger Assoc.
Ross Vogel	KCG
Don Murray	Federico
Stuart Little	Penn National Gaming
Jeff Botteby	Kansas Sol. Financial Growth, LLC
Kevin F. Hough	CITY OF EUREKA KS.
Paul T. Hendrickson	Greenwood County Fair Eureka Downs



State of Kansas
House of Representatives



Vince Wetta

80TH DISTRICT
STATE CAPITOL
TOPEKA, KANSAS 66612
(785) 296-7659

1204 N. POPLAR
WELLINGTON, KANSAS 67152
(620) 326-5205

COMMITTEE ASSIGNMENTS
MEMBER
TRANSPORTATION
INSURANCE AND FINANCIAL INSTITUTIONS

House Federal and State Affairs Committee
Testimony on H.B. 2055 by State Representative Vince Wetta

Chairman Siegfried and members of the Committee,

Today is the day I finally get to speak about the main issue that got me to this position as State Representative. Sumner County wants a Destination Casino.

To understand the importance about what this means, you have to know a little about my district. It includes most of Sumner and the southern half of Harper Counties, which are along the Oklahoma border. Anthony Downs is in my district and it is included in this bill. For two weeks each summer, this 103 year old facility brings this community together in a volunteer effort. At one time there were hundreds of County Fair races across the U.S. Now, there are just a few left and Anthony has one of them. We need to preserve this heritage.

My district is mostly farm land. We have the three most prevalent industries in Kansas, Farming, Oil, and Aircraft Parts Manufacturing. We work hard and have a deep sense of community. One example is the following our high school football teams have. Conway Springs and Wellington are two schools in Sumner County. If you play football in 3A or 4A in Kansas, the road to the championship usually runs through Sumner County. When we go to away games, the people ask if anyone is left at home, usually not many. This is an example of how we pull together. We need to preserve this sense of community. Our small town way of life will disappear without jobs and economic development.

We have a county commissioner here who fought his way across Europe in WWII. We have the city leaders of Wellington, along with the leader of the Chamber of Commerce. We have the president of Sumner County Economic Development, along with members of the Board. We are pulling together in this effort. These are hard working, God fearing people who are the salt of the earth. We have thought this issue through. We are not flakes or fly by night opportunists. I will close by saying it again, "Sumner County wants a Destination Casino."

We have leaders here who have worked on this issue for years. Janis Hellard and Shelley Hansel will help you understand our position on gaming. Please listen to them and when the time comes, vote for Sumner and Harper Counties.

Thank you I will stand for any questions at the appropriate time.

A handwritten signature in cursive script that reads "Vince".

FEDERAL AND STATE AFFAIRS

Date 3-12-07

Attachment 1



SUMNER COUNTY ECONOMIC DEVELOPMENT COMMISSION TESTIMONY HB-2055

MARCH 12, 2007



Wellington Area Chamber of Commerce / CVB

FEDERAL AND STATE AFFAIRS

Date 3-12-07

Attachment 2

Sumner County Economic Development Commission



Physical Address: 123 N. Jefferson, Wellington, Kansas 67152
Mailing Address: P. O. Box 279, Wellington, Kansas 67152
Office Phone Number: (620) 326-8779 Office Fax Number: (620) 326-6544
Email Address: scedc@co.sumner.ks.us

To: Honorable Representative Arlen Siegfried, Chairman
Members of the Federal and State Affairs Committee

From: Janis Hellard, Sumner County Economic Development Commission
Shelley Hansel, Wellington Area Chamber of Commerce

2007
BOARD OF
DIRECTORS

Date: March 12, 2007

◇◇◇

Re: HB 2055

Kent Hixson,
Chairman

Marvin White,
Vice-Chairman

Stan Gilliland,
Treasurer

Chad Bartelson

Alan Brundage

David Carr

Mary Ann Dickey

Jean Orton

Leo Schiltz

Cathy Sheets

Pam Schneider

Bob Wall

STAFF

◇◇◇

Janis Hellard
Director

Kaley Slocum
Administrative
Assistant

Thank you for allowing us to testify before you regarding House Bill 2055. We are here to present our support for expanded gaming in the State of Kansas and ask that you amend **Section 1 (x)** where it specifies "Nonexclusive gaming zones" to allow Sumner County be included in a South Central Kansas zone and be allowed to have a destination resort casino. We also ask that you would amend **New Sec. 6, line 41**, to read, "A ballot question submitted prior to **December 31, 2005**" rather than April 15, 2005. This would allow the vote Sumner County held to remain a valid vote under this legislation.

A destination resort casino in Sumner County would be of the highest quality. We envision a resort facility that would include a hotel, a large convention center, restaurants, possibly a spa and retail amenities, an entertainment event center, a water park and a casino. We do not want the small scale casinos which we see immediately south of us in Oklahoma. We want to be the home of a development that is of the utmost quality to attract new tourism, conventions and recreational visitors to our State.

In 2005, we held a mail-in ballot vote on the issue of a destination resort casino for Sumner County. The voters demonstrated overwhelmingly their support for having a destination resort casino. This vote passed with a **63% approval in an election with one of the largest number of ballots being cast ever in Sumner County**. Since that time we have been actively working to accomplish the will of the voters. We have been in Topeka many times to give testimony, make presentations, and talk with Legislators. We have done radio and TV programs to present our case; we have met with organizations, neighboring counties, political groups and garnered much support for our desire to have a destination resort casino. Last year when legislation was unsuccessful in passing, we asked what more we could do to further our cause. We were told one thing we could do was vote in a new Representative – and we did! This year we have again been actively working this issue. Our citizens and elected officials still strongly support this endeavor. Included in your packet are resolutions of support from various groups and counties supporting the issue of South Central Kansas not being left out of

SCEDC

Committed to Improving the Economy of Sumner County

this legislation including a statement from REAP which is comprised of 6 counties and 26 cities governments.

The reason our citizens were in favor of us pursuing a destination resort casino for Sumner County was the economic impact this project could have on our County, our region, and the State of Kansas.

Sumner County needs new job opportunities that offer good wages and benefits. We want to recruit new citizens to live in our County but must have the jobs to offer or there is no reason for them to come. We need jobs for our current citizens so they don't have to move elsewhere for employment. We need to improve our trade capture to assist our struggling retailers. We need the tax relief; as we have one of the highest tax levies in the region. A multi-million dollar capital investment would help grow our tax base and stabilize property taxes. We have a great need for infrastructure improvements in our communities that our citizens can not afford to bear the tax increases to accomplish.

Sumner County is agricultural and aviation based in our employment. Both of these industries have suffered greatly over the last several years. We need to diversify our employment base. That is not an easy task; it is difficult to recruit new industries to rural areas. Although we have much to offer, we can not compete with Wichita and Sedgwick County in the recruitment arena. We do not have all the recruitment tools and incentives they have. A destination resort casino, however, is one business that is recruitable to a rural area. Most destination resort casinos are **not located** in metropolitan areas but within a 30 minute drive of a metropolitan area. This is due in part to the fact that many of these destination resort/casinos are located on Indian land, but it proves the point that with a destination resort casino "If you build it, they will come", even if it is in a rural area. People are willing to drive great distances to go to a casino as evidenced by all those driving to Oklahoma from our area now. This makes a destination resort casino a very good business to recruit to Sumner County.

Increased tourism is another reason Sumner County wants a destination resort casino. It is estimated that a true destination resort casino could bring in 1.5 million visitors. This would not only benefit Sumner County but the entire South Central Kansas region and the entire State of Kansas. Visitors who come for conventions could use Mid-Continent Airport, increasing the numbers traveling on our airlines. Most conventions have tours that take the conventioners to see the sights of the area; this would benefit other area attractions. Sumner County's location on I-35, where over 18,000 vehicles pass daily, is a perfect location to offer travelers a reason to stop and visit in Kansas. We want to be the destination for these travelers, not just the place they drive through on their way to visit our neighboring states. Sumner County is an easily accessible location for bus tours from other states.

A destination resort casino would have economic impacts on our county, region and State that most people do not even consider. The ancillary businesses are created, such as the company that would transport visitors from the airport to the resort. The vendors who see increased sales as a result of purchases made by the resort. And consider all the meat, milk, and eggs that are purchased from the farmers and the effect this has on their profits.

The positive economic impact of a destination resort casino was the reason our citizens felt so strongly about supporting a destination resort casino for Sumner County but there is another

factor we hope you as Legislators will consider when deciding on whether or not to allow expanded gaming in Kansas – that is the negative economic impact of the huge hemorrhaging of gaming dollars **out** of the State of Kansas.

Southcentral Kansas is a prime marketing target for the Oklahoma casinos. There are over 40 gaming establishments within 100 miles of our border and more are being built. We are reminded of this daily in our local newspapers, radio ads, area billboards, and the Oklahoma casinos are even advertising at Mid-Continent Airport.

Today we are exporting tourism and gaming dollars out of Kansas at an alarming rate. During a February 2006 license plate survey of the Oklahoma casinos, 58% of the cars were from Kansas, in a February 2007 survey the count was 85% Kansas cars. Along with the entertainment dollars, we also loose money on fuel, tobacco and food purchases made in Oklahoma.

Four buses leave our region weekly for out of state gaming destinations. According to a report in the Wichita Business Journal last year, an estimated 12,000 people per year were catching the weekly bus trips from Wichita to the Indian casinos. These numbers did not include the senior citizen bus trips that depart from the area communities. We need to reverse the trend, keeping those dollars in Kansas and bringing conventions and bus tours **into our State**.

The solution is to allow expanded gaming in Kansas and allow a Destination Resort Casino in Sumner County to stop the flow of gaming dollars to Oklahoma. If a destination resort casino is located further north in our area, we will still see the gaming dollars of the border counties going to Oklahoma, as it will still be more convenient. We do not want that trend to continue. We want to keep our gaming dollars in Kansas whenever possible.

We recognize that allowing expanded gaming has its down sides, but we believe with gaming so easily accessible to our citizens already, we have the problems without the benefit of the revenue stream to assist with those problems. We also believe that it is impossible to legislate how people spend their money or view moral issues, those are issues and choices each person has to make for themselves. We, as a State, have already approved of gambling by allowing a lottery, bingo parlors, Indian casinos, and betting at the tracks. Therefore we do not believe legislation should deny citizens the right to expanded gaming opportunities in the State of Kansas, leaving us with the negative results of gaming nearby while turning down the positives of having expanded gaming in Kansas.

In closing, I would like to point out an article on Lyons, Kansas that I have attached. The enterprising individuals in Lyons, Kansas have already found a way to have their gambling, leave the State out of the profits and it not be a destination resort casino. If the State of Kansas does not approve expanded gaming they are loosing out on a revenue stream that other states and individuals will gladly take from us.

Thank you for your time this afternoon. We hope that you will find our testimony helpful in crafting this legislation and we ask for your support in including Sumner County as a nonexclusive gaming zone and a location for a destination resort casino in HB2055. We also ask that you amend the bill to change the date on the ballot question to read prior to December 31, 2005.



Wellington Area Chamber of Commerce / CVB

207 S. Washington, Wellington, KS 67152 • www.wellington.cc • Ph: 620-326-7466 • Fax: 620-326-7467

March 8, 2007

Dear Honorable Representative Arlen Siegfried,

In real estate they say location, location, location is what sells homes. Well, we believe Sumner County is the perfect location for a destination resort casino. We are here on a major Interstate highway that right now most people are using to go down to Oklahoma to spend their gaming dollars. We say let the bucks stop here in Kansas!!!

Last year the citizens of Sumner County voted overwhelmingly to support a destination resort casino. One city council person who publicly announced he could not support that vote is no longer in office and our State Representative who also came out against the casino did not return to Topeka.

The State needs money. Expanded gaming provides money. It seems simple to all of us who believe in good economic sense. We need the Economic Development down here in Sumner County and we are more than willing to work with the State and our neighboring counties to make this happen.

Thank you for your leadership in making this State one of the best places to call home!

Sincerely,

Shelley Hansel,
Executive Director
Wellington Area Chamber of Commerce

FEDERAL AND STATE AFFAIRS

Date 3-12-07

Attachment 3

CERTIFICATE OF CANVASS
Special Advisory Election
12/20/2005

STATE OF KANSAS)
COUNTY OF SUMNER)

The Board of County Commissioners, acting as the Board of Canvassers met at 8:30 a.m., on the 22nd day of December 2005 in the Sumner County Commissioners' Board Room to canvass the votes cast in the Special Advisory Mail Ballot Election held on the 20th day of December 2005 with the following present:

Jim D. Newell, Commissioner 2nd District
Eldon Gracy, Commissioner, 3rd District
Jon Bristol

The returns of the election were presented to the Board as received from the official conducting the election. The provisional ballots were reviewed and counted, if allowed.

The Board proceeded to canvass the vote and found the results of the election to be true and exact as tabulated.

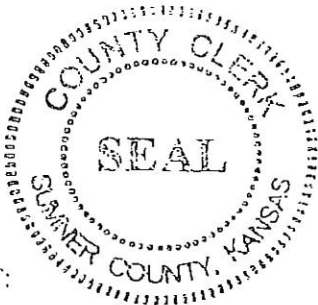
Yes = 4,842 No = 2,838 .

The Special Advisory Question submitted was the following:

DO YOU SUPPORT A DESTINATION RESORT CASINO IN SUMNER COUNTY, KANSAS,
IN THE EVENT SUCH IS LEGALLY PERMITTED BY THE STATE AND IS OTHERWISE
DEEMED IN THE BEST INTEREST OF THE COUNTY BY THE BOARD OF COUNTY
COMMISSIONERS?

The undersigned hereby certify that the foregoing results are shown by the finalized abstract of election returns.

Dated this 22nd day of December 2005.



ATTEST:

Shane J. Shields
Shane J. Shields
Sumner County Clerk & Election Officer

Jim D. Newell
Jim D. Newell, Commissioner 2nd District
Eldon Gracy
Eldon Gracy, Commission, 3rd District
Jon Bristol
Jon Bristol

Subject: REAP Summary of Feb. 13, 2006 Meeting

At the February 13, 2006 meeting of REAP the following motions were adopted:

Legislative positions adopted:

Proposal to Exempt Machinery and Equipment (M&E) from Personal Property Tax:

REAP supports incentives for economic development but believes such incentives should be subject to local control. The proposed exemption for machinery and equipment violates home rule authority and forces local governments to bear the entire cost of the exemption. If state lawmakers want to enact this exemption, state government should underwrite the cost of the exemption or should authorize cities and counties to adopt the exemption through home rule.

Proposal to Authorize Casino Gaming:

If state lawmakers authorize an expansion of casino gaming in the state, REAP believes that South Central Kansas should not be foreclosed from casino development through legislative action, but allow for citizen initiative and home rule authority to determine local projects.

Note: It was stressed that both positions are an encouragement for home rule authority and local control.

Air Service Special Voluntary Assessment Option:

REAP adopted the proposal to serve as the conduit for funds for air service funds from the State of Kansas. REAP also adopted a voluntary assessment model, per the Economic Development Committee recommendation, to contribute to the required \$1.67 million local match.

Budget Revision:

The budget was revised to reflect changes relating to reduction in revenues and accurate reflection of carryover funds from 2005.

Executive Officer:

REAP officially designated Joe Yager as Executive Officer.

If you have any questions please let me know.

JSY

Joseph S Yager

Public Affairs Associate
Center for Urban Studies
Wichita State University
1845 Fairmount, Box 155
Wichita KS 67260-0155
(316) 978-6542
joe.yager@wichita.edu

RESOLUTION NO. 5150

RESOLUTION IN SUPPORT OF DESTINATION RESORT CASINOS AND
EXPANDED GAMING IN SUMNER COUNTY, KANSAS

A RESOLUTION asking for support from Kansas Legislators for legislation allowing destination resort casinos and expanded gaming in Sumner County, Kansas.

WHEREAS, the citizens of Sumner County, Kansas have expressed overwhelmingly their desire to be allowed the opportunity to have destination resort casinos and expanded gaming in Sumner County, and

WHEREAS, we recognize the positive economic benefits of increased visitors, increased sales tax capture, increased job opportunities, additional residents, increased tax base, stopping the flow of gaming dollars to Oklahoma and other benefits that a project of this magnitude could bring to our region, and

WHEREAS, we support the South Central Coalition for Fair Play to work for any legislation allowing for destination resort casinos and expanded gaming in the State of Kansas,

WHEREAS, as recognized by the Coalition, the impact a destination resort casino would have on the entire region, we agree that revenue sharing with the member counties of the Coalition, by the formula set forth in legislation, should occur if said legislation is successfully passed.

THEREFORE, the City of Wellington, Kansas supports and endorses a bill in the Kansas Legislature that would authorize and include destination resort casinos and expanded gaming in South Central Kansas with strong desire for Sumner County, Kansas, as well as other areas of Kansas as deemed appropriate by the Legislators, and asks that Kansas Legislators exercise their authority and support such legislation as well.

Approved and adopted at Wellington, Kansas, this 6th day of March 2007.


Mayor

ATTEST:

City Clerk

FORM APPROVED:

City Attorney

RESOLUTION NO. 5070

A RESOLUTION ACKNOWLEDGING VOTERS SUPPORT OF A PROPOSED
DESTINATION CASINO IN SUMNER COUNTY, KANSAS

WHEREAS, the Board of County Commissioners gave the citizens of Sumner County, Kansas the opportunity to vote in favor of a Destination Resort Casino being located in Sumner County, Kansas; and

WHEREAS, the citizens of Sumner County, Kansas voted 4,842 to 2,838 in support of said Destination Resort Casino being located in Sumner County, Kansas; and

WHEREAS, the council of the City of Wellington, Kansas acknowledges the outcome of said vote and requests any State legislators representing the citizens of the City of Wellington, Kansas, to take into consideration said vote when voting on any bill submitted to the Kansas legislature expanding gaming in the State of Kansas.

ADOPTED BY THE COUNCIL of the City of Wellington, Kansas this 7th day of February, 2006.



Stanley A. Gilliland

Stanley Gilliland, Mayor

ATTEST:

Rose M. Miller

Rose M. Miller, City Clerk

Form Approved:

Michael C. Brown

Michael C. Brown, City Attorney

**RESOLUTION IN SUPPORT OF THE PROPOSED
DESTINATION RESORT CASINO IN SUMNER
COUNTY, KANSAS**

A RESOLUTION asking for the support from Kansas legislators, elected officials in neighboring cities and counties, regional economic development partners, including the board of the Regional Economic Area Partnership (REAP) and the Greater Wichita Economic Development Coalition for a proposed destination resort casino in Sumner County, Kansas.

WHEREAS, the Board of Sumner County Commissioners gave the people of Sumner County the opportunity to vote on a destination resort casino; and

WHEREAS, the citizens of Sumner County voted overwhelmingly by a 2-1 margin in support of a destination resort casino sending a clear message they would like to see this project come to Sumner County; and

WHEREAS, the Board of County Commissioners deems this destination resort casino project in the best of interest of Sumner County and all of South Central Kansas,

WHEREAS, the Board of the Sumner County Economic Development Commission recognizes the positive economic benefits of this project including increased visitors, increased sales tax capture, increased job opportunities, additional residents, and the increased tax base that a project of this magnitude could bring to our community,

NOW, THEREFORE, the Board of the Sumner County Economic Development Commission supports and endorses a bill in the Kansas Legislature that would expand gaming in the specific counties that have held positive, public referendums and asks that Kansas legislators exercise their authority and support such legislation as well.

Adopted and approved by the Sumner County Economic Development Commission, on the 7th day of February, 2006.



Chad Bartelson, Chairman

Sumner County Economic Development Commission

**RESOLUTION IN SUPPORT OF THE PROPOSED
DESTINATION RESORT CASINO IN SUMNER
COUNTY, KANSAS**

A RESOLUTION asking for the support from Kansas legislators for a proposed destination resort casino in Sumner County, Kansas.

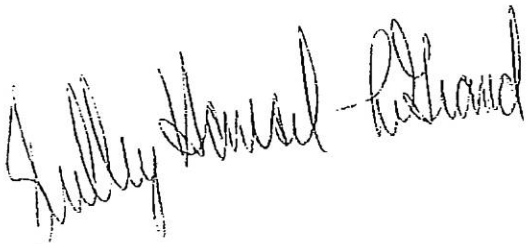
WHEREAS, the Board of Sumner County Commissioners gave the people of Sumner County the opportunity to vote on a destination resort casino and registered voters approved of this project overwhelmingly by a 2-1 margin in support of a destination resort casino sending a clear message they would like to see this project come to Sumner County; and

WHEREAS, the Board of the Wellington Area Chamber of Commerce recognizes the positive economic benefits of this project including increased visitors, increased sales tax capture, increased job opportunities, additional residents, and the increased tax base that a project of this magnitude could bring to our community,

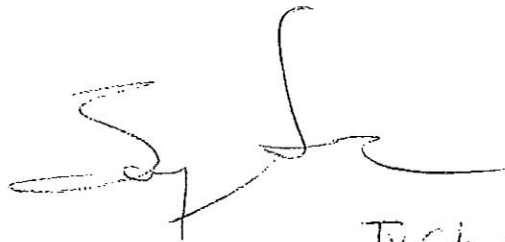
WHEREAS, we support our economic development partner, the Sumner County Economic Development Coalition, in this endeavor,

NOW, THEREFORE, the Board of the Wellington Area Chamber of Commerce, supports and endorses a bill in the Kansas Legislature that would expand gaming in the specific counties that have held positive, public referendums and asks that Kansas legislators exercise their authority and support such legislation as well.

Adopted and approved by the Board of the Wellington Area Chamber of Commerce, on the 7th day of February 2006.



Shelley Hansel-LeGrand,
Executive Director, Wellington
Chamber



Ty Seber,
Chamber Board President

RESOLUTION NO. 2006-03
BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF COWLEY COUNTY, KANSAS

RESOLUTION IN SUPPORT OF THE PROPOSED DESTINATION RESORT CASINO
IN SUMNER COUNTY, KANSAS

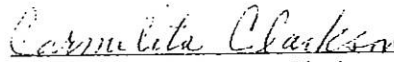
WHEREAS, the Board of Sumner County Commissioners gave the people of Sumner County the opportunity to vote on a destination resort casino and our neighbors in Sumner County voted overwhelmingly by a 2-1 margin in support of a destination resort casino sending a clear message they would like to see this project come to South Central Kansas and Sumner County; and

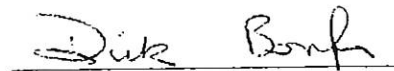
WHEREAS, the Board of County Commissioners of Cowley County, Kansas recognizes the positive economic benefits of this project including increased visitors, increased sales tax capture, increased job opportunities, additional residents, and the increased tax base that a project of this magnitude could bring to our region; and


WHEREAS, we support our regional economic development partners, the Sumner County Economic Development Coalition, and the Wellington Area Chamber of Commerce, in this endeavor.

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Cowley County, Kansas to document that they support and endorse a bill in the Kansas Legislature that would expand gaming in the specific counties that have held positive, public referendums and asks that all south central Kansas legislators exercise their authority and support such legislation as well.

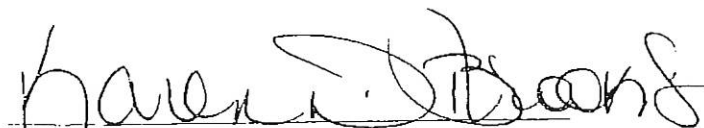
Adopted and approved on this 7th day of February 2006.


Carmelita Clarkson, Chairman


Dick Bonfy, Vice Chairman


Gary Wilson, Commissioner

ATTEST:


Karen D. Brooks, County Clerk

Debra Teufel

From: Winfield Chamber [ceo@winfieldpartners.org]
Sent: Tuesday, February 21, 2006 4:39 PM
To: dteufel@co.sumner.ks.us
Cc: Bruce Schwyhart
Subject: Winfield Chamber position on casino

Debra,

Our board did not vote on a specific resolution, but the consensus is that our Chamber believes that, if expanded gaming is a possibility, Sumner County should certainly have the opportunity for a casino site. Bruce Schwyhart will be writing a letter to our legislators stating that position, and I'll make sure you get a copy.

Thanks again for hosting us last week. It was good to share regional information.

Talk soon,
Beth

RESOLUTION 2007 - 11

A RESOLUTION IN SUPPORT OF THE FORMATION OF THE SOUTH CENTRAL COALITION FOR FAIR PLAY TO WORK FOR THE INCLUSION OF SOUTH CENTRAL KANSAS IN ANY STATE LEGISLATION ON EXPANDED GAMING AND DESTINATION RESORT CASINOS.

WHEREAS, the 2007 session of the Kansas Legislature is considering a bill that would renew the Kansas Lottery; and


WHEREAS, the 2007 session of the Kansas Legislature is considering a bill that would allow destination casinos in Southeast and Northeast Kansas counties that border Missouri and at the same time place a non-gaming moratorium on all other Kansas counties, including those in South Central Kansas, and

WHEREAS, two South Central Kansas Counties have had an advisory vote expressing their desire to locate a destination casino in their respective Counties; and

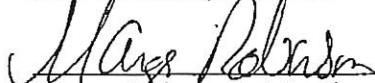
NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF HARVEY COUNTY, KANSAS, agrees to the formation of and participation in the South Central Coalition for Fair Play to work for the inclusion of South Central Kansas in any state legislation on expanded gaming and destination resort casinos. The Commission also urges Harvey County legislators to recognize this coalition as a strong voice for the inclusion of South Central Kansas counties in any legislation that offers the opportunity for expanded gaming in Kansas, subject to a county referendum.

PASSED AND ADOPTED by the Commissioners of Harvey County, Kansas, this 5th day of March 2007.

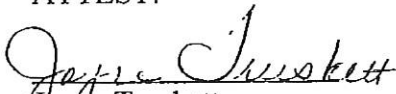
BOARD OF HARVEY COUNTY COMMISSIONERS


George A. Westfall, Chairperson


Ron Krehbiel, Member


Marge Roberson, Member

ATTEST:


Joyce Truskett
Harvey County Clerk

RESOLUTION IN SUPPORT OF
THE FORMATION OF THE
SOUTH CENTRAL COALITION FOR FAIR PLAY
TO WORK FOR THE INCLUSION OF SOUTH CENTRAL KANSAS IN ANY
STATE LEGISLATION ON
EXPANDED GAMING AND DESTINATION RESORT CASINOS

WHEREAS, the 2007 session of the Kansas Legislature is considering a bill that would renew the Kansas Lottery; and

WHEREAS, the 2007 session of the Kansas Legislature is considering a bill that would allow destination casinos in Southeast and Northeast Kansas counties that border Missouri and at the same time place a non-gaming moratorium on all other Kansas counties, including those in South Central Kansas; and

WHEREAS, two South Central Kansas counties have had an advisory vote expressing their desire to locate a destination casino in their respective Counties; and

NOW, THEREFORE, BE IT RESOLVED, the Sedgwick County Commission agrees to the formation of and participation in the South Central Coalition for Fair Play to work for the inclusion of South Central Kansas in any state legislation on expanded gaming and destination resort casinos. The Commission also urges Sedgwick County legislators to recognize this coalition as a strong voice for the inclusion of South Central Kansas counties in any legislation that offers the opportunity for expanded gaming in Kansas, subject to a county referendum.

[Balance of page intentionally left blank]

Commissioners present and voting were:

DAVID M. UNRUH
TIM R. NORTON
THOMAS G. WINTERS
KELLY PARKS
GWEN WELSHIMER

Yes
Yes Nay
Yes
Yes
Yes
Yes

Dated this 28 day of February, 2007

BOARD OF COUNTY COMMISSIONERS
OF SEDGWICK COUNTY, KANSAS

ATTEST:

DON BRACE, County Clerk

David M Unruh
DAVID M. UNRUH, Chairman
Commissioner, First District

Thomas G Winters
THOMAS G. WINTERS, Chair Pro Tem
Commissioner, Third District

Tim R Norton
TIM R. NORTON
Commissioner, Second District

Kelly Parks
KELLY PARKS
Commissioner, Fourth District

Gwen Welshimer
GWEN WELSHIMER
Commissioner, Fifth District

**RESOLUTION IN SUPPORT OF THE PROPOSED
DESTINATION RESORT CASINO IN SUMNER
COUNTY, KANSAS**

A RESOLUTION asking for the support from area legislators, elected officials in neighboring cities and counties, regional economic development partners, including the board of the Regional Economic Area Partnership (REAP) and the Greater Wichita Economic Development Coalition for a proposed destination resort casino in Sumner County, Kansas.

WHEREAS, the Board of Sumner County Commissioners gave the people of Sumner County the opportunity to vote on a destination resort casino; and

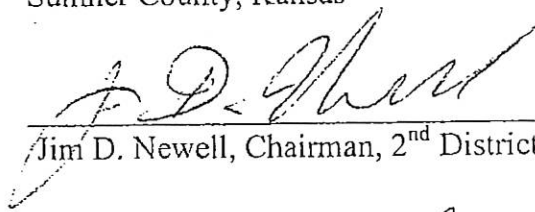
WHEREAS, the citizens of Sumner County voted overwhelmingly by a 2-1 margin in support of a destination resort casino sending a clear message they would like to see this project come to Sumner County; and

WHEREAS, the Board of County Commissioners, respecting their elected office and position to uphold the will of the people; and

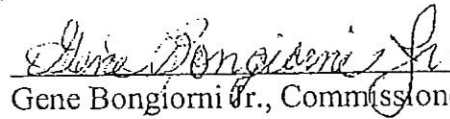
WHEREAS, the Board of County Commissioners deems this destination resort casino project in the best of interest of Sumner County and all of South Central Kansas,

NOW, THEREFORE, the Board of County Commissioners of Sumner County, Kansas, supports and endorses a bill in the Kansas Legislature that would expand gaming in the specific counties that have held favorable, public referendums and asks that all south central Kansas legislators exercise their authority and support such legislation as well.

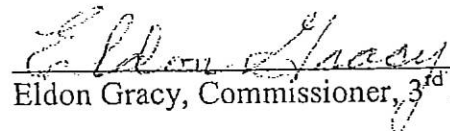
Board of County Commissioners
Sumner County, Kansas



Jim D. Newell, Chairman, 2nd District



Gene Bongiorno Jr., Commissioner, 1st Dist.



Eldon Gracy, Commissioner, 3rd Dist.



Attest



Shane J. Shields, County Clerk

Counties join to push for casino

Sedgwick, Sumner, Harvey, Kingman and Cowley counties want to make sure they get a piece if the Legislature expands gambling.

By BARBARA J. ISENBERG
The Wichita Eagle

Representatives from five area counties agreed Thursday to form a coalition to ensure that the area gets a casino if state legislators decide to allow expanded gambling.

During a meeting in Wellington, commissioners and staff from Sedgwick, Sumner, Harvey, Kingman and Cowley counties agreed to form the South Central Coalition for Fair Play.

Sedgwick County Commissioner Gwen Welshimer, who attended the meeting with Commissioner Kelly Parks, said she hopes to have a vote as early as next Wednesday.

"The resolution will be simple, that commissioners want to join this coalition," she said.

Oklahoma casinos such as the Kaw Nation's Southwind Casino in Newkirk are taking revenue that could be kept in Kansas, Welshimer has said.

"What we're trying to do is to translate the power of all these counties into this group that says, 'Don't leave us out of any future gambling bills,'" said Marge Roberson, a Harvey County commissioner.

Sedgwick County Commissioners had not talked about gambling since August 2005, when state legislators asked them to leave the issue to the state.

Welshimer and Parks revived the gambling debate in late January as proponents of allowing an advisory vote on gambling.

The outlook for whether gambling legislation will emerge from the Legislature this year is uncertain. But the state Senate has turned down every proposal in the past 13 years to allow slot machines at racetracks -- something long sought by Wichita Greyhound Park owner Phil Ruffin -- or to allow non-Indian casinos.

Still, a Senate task force on Monday identified gambling revenue as one possible option to fund a backlog of maintenance needs at state universities.

A bill in the House Committee for Federal and State Affairs calls for gambling at casinos and racetracks in Wyandotte, Crawford and Cherokee counties. The bill would limit gambling to slot machines at racetracks in Sedgwick and Ford counties, and forbid those counties from seeking casinos for five years.

"We're concerned the bill will move out of committee" and go to a vote in the House, Welshimer said.

The coalition set no timetable to have each county vote, but said it wants to start as soon as possible.

"We're very much on the fast track," Roberson said.

Reach Barbara Isenberg at 316-268-6574 or bisenberg@wichitaeagle.com.

Wichita Business Journal - January 5, 2007
<http://wichita.bizjournals.com/wichita/stories/2007/01/01/daily27.html>

Wichita Business Journal

BUSINESS PULSE SURVEY: How do you forecast your business will perform i

Polls point to casino support

Wichita Business Journal - January 5, 2007 by [Chris Moon](#)

An organization that lobbies for expanded casino gambling in Kansas released a poll this week showing 46 percent of Kansans support the creation of more nontribal casinos in the state.

Thirty-nine percent of the 500 respondents, all registered voters, opposed the idea, and 15 percent were undecided. The survey was commissioned by Kansans for Economic Growth and was conducted Nov. 14-16 by Cole Hargrave Snodgrass & Associates.

The poll, with a 4.3 percent margin for error, comes as the Legislature prepares for Monday's start of the 2007 legislative session. Expanding casino gambling long has been an issue before the Legislature but hasn't passed.

Supporters say the state loses revenue to casinos in neighboring Oklahoma and Missouri. They say that money could be used for schools or to reduce property taxes. Opponents of casino gambling point to its associated social ills and say casinos are a drain on other entertainment-related businesses.

Park City and the Wichita Greyhound Park have been in the running for additional gambling opportunities in the past, either through a destination casino or slot machines at the dog track.

Meanwhile, a recent survey of 170 members of the Wichita Independent Business Association and the Kansas Independent Business Coalition shows 78 percent support a constitutional amendment that would allow more private gambling in Kansas.

[Contact the Editor](#)

[Need Assistance?](#)

[More Latest News →](#)

[Subscribe or renew online](#)

All contents of this site © American City Business Journals Inc. All rights reserved.

DATE: January 3, 2007

TO: Kansas Media

FROM: Pat McFerron
Cole Hargrave Snodgrass & Associates, Inc.

RE: A Survey of 500 Registered Voters in Kansas
Conducted November 14-16, 2006
Margin of error: +/- 4.3%

Cole Hargrave Snodgrass & Associates is pleased to present the summary of findings of a recent study of voters in Kansas. **The survey reveals that a strong majority of registered voters supports allowing additional casinos in Kansas.**

The support for casino expansion among Kansas voters is emboldened by the fact that the state loses millions of dollars a year out of the economy as residents go to Kansas and Oklahoma to spend money in those casinos. When hearing this argument, 56% become supportive of destination style casinos, while only 31% remain opposed.

Kansans also expect their elected leaders to be supportive of casino expansion. Fully 43% say that Governor Sebelius support for destination casinos would enhance their image of the Governor, while only 18% say it would diminish their support. Fully 41% say that if their state legislator supported casino expansion, then that would make them more likely to vote for that legislator, while only 33% say it would make them less likely to vote for that legislator.

While slight differences exist between members of the two major political parties, this is not a partisan issue in the minds of most voters. 41% of the Republicans and 45% of unaffiliated voters join the 56% of registered Democrats who support the measure. It should be noted that less than half of the registered Republicans (46%) oppose expanding casinos. Clearly, any effort by leaders in either political party to turn this into a partisan issue will be met with significant resistance within its own base. In fact, almost 40% of those who indicated that they voted for Jim Barnett in the recent gubernatorial election say they support additional casinos, while Sebelius voters favor such a proposal by twenty points (52% favor vs. 32% oppose).

It should be noted, that the when voters are given additional information, support increases. When particulars about a precise "destination style" casino expansion limited to Wyandotte county and the southeast corner of the state, as well as slot machines at existing animal racing facilities, that would generate 200 million dollars a year in tax revenues, support increases to 52%, while opposition decreases to just a third (33%). Again, this support runs the gamut of Kansas voters including a plurality of registered Republicans (45% favor vs. 40% oppose) and 61% of registered Democrats. Furthermore, it is supported by both self-described conservatives (50% favor) and liberals (60% favor).

It is clear from our reading of the survey data that Kansans are more than ready for their state to compete with casinos in neighboring states and expand their state's entry into gaming.

Cole Hargrave Snodgrass & Associates

1000 West 10th Street, Suite 1000, Topeka, Kansas 66604 • Phone: 785-233-4000 • Fax: 785-233-4001 • Website: www.chsa.com

Survey: Kansans back more gambling

By Dave Toplikar

Sunday, January 7, 2007

A "strong majority" of registered Kansas voters — some 56 percent — want to see casino gambling expanded in the state.

That's according to a survey released this week by an Oklahoma-based political polling company for a group trying to promote a destination casino in southeast Kansas.

"It is clear from our reading of the survey data that Kansans are more than ready for their state to compete with casinos in neighboring states and expand their state's entry into gaming," said Pat McFerron, director of survey research for Cole Hargrave Snodgrass & Associates Inc.

The firm conducted the survey in mid-November for Kansans for Economic Growth, which is promoting a resort-style casino at Galena near the Oklahoma and Missouri borders.

Allowing such a casino would mean a change in Kansas law, which restricts gambling to playing the Kansas Lottery, pari-mutuel betting at horse and dog tracks or playing charitable bingo.

Kansans can gamble at casinos in four American Indian reservations, but the state gets no tax revenue from them.

The Legislature considered a bill last year that would have allowed state-run, resort-type casinos in Kansas City, Kan., and southeast Kansas and also 5,000 slot machines at pari-mutuel race tracks in Frontenac, Kansas City, Wichita and Dodge City.

That bill, which failed in the Senate, would have raised about \$150 million a year for the state, according to its supporters.

The polling firm's survey of 500 registered voters in Kansas showed that when voters were initially asked if they wanted to allow state-operated casino gambling, 46 percent supported it, 39 percent opposed it and 15 percent were undecided, McFerron said.

However, when respondents were told that Kansas is losing millions of dollars to casinos in Missouri and Oklahoma, expanded gambling in Kansas received more support, he said.

"Once you tell them money is going out of state, it changed 56 to 31 (in support)," McFerron said.

The margin of error in the report was plus or minus 4.3 percent.

Senate Minority Leader Anthony Hensley, D-Topeka, said he hopes to revive last year's gambling bill.

Hensley said he wants the revenue it would raise to be earmarked for the \$727 million in deferred maintenance projects needed at the state's universities, community colleges and vocational schools.

Hensley said the bill may have more support in the Legislature this year.

Following the fall elections, there might be as many as 10 more votes for it in the House as legislators who opposed expanded gambling either retired or were defeated, he said.

"I've always thought we were fairly close (in the Senate)," Hensley said. Last year, a bill failed in the Senate on a vote of 16 to 20, with four members passing.

Sen. Chris Steineger, D-Kansas City, said he will be part of a coalition seeking expanded gambling. Steineger said demand for gambling in Kansas would support major resort-style casinos in Wyandotte County, Wichita and Southeast Kansas.

Missouri, Oklahoma and Kansas' own American Indian casinos are taking about \$500 million of potential tax revenue from Kansans, Steineger said.

"It would easily pay for all the needs of the Board of Regents for building maintenance in two or three years," he said.

Two state senators from Lawrence say they'll have to see the right proposal before they would vote to expand gambling because of the social problem gambling brings.

"I have a hard time thinking gambling is a positive form of economic development," said Sen. Roger Pine, R-Lawrence. "I don't know that the funds that you receive offset the problems you inherit with that."

Pine said if he were to vote for a gambling bill, it would have to be severely limited, such as allowing a destination casino near the state's border, where people are crossing over into another state and gambling.

Sen. Marci Francisco, D-Lawrence, said she would have to look closely at any new proposals.

Past proposals have included too many slot machines at the state's pari-mutuel race tracks — more than exist now at the riverboat casinos in Kansas City, Mo., Francisco said.

Should Kansas allow more destination casinos?

Thanks for your vote.

You bet	72%	54 votes
No dice	25%	19 votes
I'll sit this one out	1%	1 vote

74 total votes

Note: This is not a scientific poll. The results reflect only the opinions of those who chose to participate.

Comments



AMERICAN GAMING ASSOCIATION

Building a better understanding of casino entertainment through education and advocacy

1299 Pennsylvania
Suite 1175
Washington, D.C.
202-552-2675

About Us : **Industry Information** : Responsible Gaming : Diversity : Press Room : Publications

- ▶ Fact Sheets
- ▶ Surveys
- ▶ Federal Issues
- ▶ State Information
- ▶ Third-Party Resources
- ▶ Home

INDUSTRY INFORMATION FACT SHEETS : STATISTICS

Factsheet: Tax Payments

TAX PAYMENTS

In the 11 states with commercial casinos in operation in 2005, casinos contributed more than \$4.9 billion in tax revenue to state and local governments, a 4.9 percent increase over 2004 data. The revenue from those taxes benefits education, public safety, economic development and infrastructure improvements, among other state and local programs.

2005 GAMING TAX REVENUE

Colorado	\$101.1 million
Illinois	\$749.7 million
Indiana	\$777.8 million
Iowa	\$265 million
Louisiana	\$521.7 million
Michigan	\$331.9 million
Mississippi	\$301.7 million
Missouri	\$413.9 million
Nevada	\$952.6 million
New Jersey	\$490.2 million
South Dakota	\$12.5 million

TOTAL **\$4.93 billion**

Source: State Gaming Regulatory Agencies (4/06)

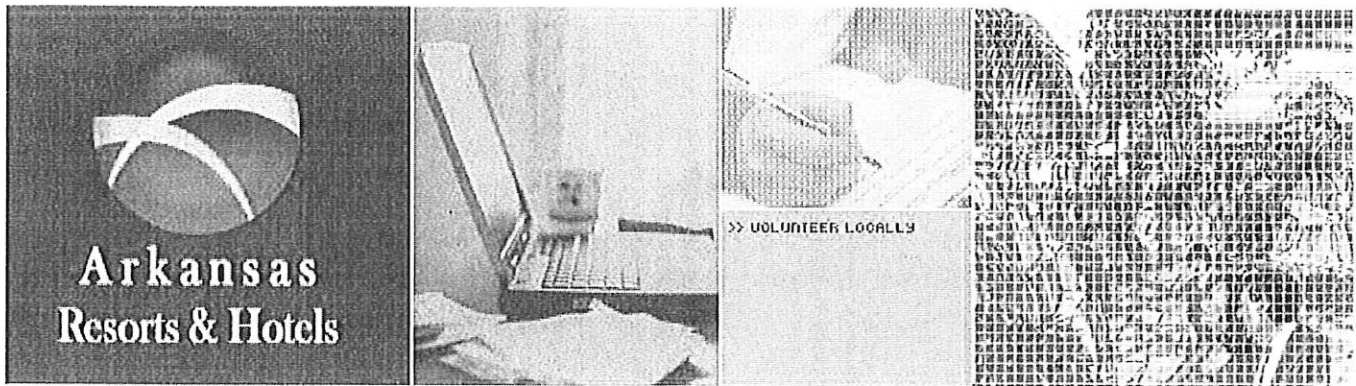
▶ Back

IN THIS SECTION

- ▶ All Fact Sheet
- ▶ **Statistics**
- ▶ Industry Issue
- ▶ General Info

Search

- ▶ Topic Search
- ▶ Site Map



> G

Our Plan

Positive Economic Impact

Positive Social Impact

Resort Concepts

Research & Reports

The Petition

News

Contact Us

2004 Gaming Tax Revenue

In the 11 states with commercial casinos in operation in 2004, casinos contributed more than \$4.7 billion in tax revenue to state and local governments, a nearly 10 percent increase over 2003 data. The tax rate for the casino industry ranged in 2004 from a low of 6.75 percent in Nevada to a high of 70 percent in Illinois. The revenue from those taxes benefits education, public safety, economic development and infrastructure improvements, among other state and local programs.

Colorado	\$99.5 million
Illinois	\$801.7 million
Indiana	\$760.5 million
Iowa	\$252.7 million
Louisiana	\$436.9 million
Michigan	\$279.4 million
Mississippi	\$333.0 million
Missouri	\$403.1 million
Nevada	\$887.0 million
New Jersey	\$470.6 million
South Dakota	\$11.9 million
TOTAL	\$4.74 billion

Source: State Gaming Regulatory Agencies (5/05)

[American Gaming Association](#)

News

Jun 6, 2006

Timing for casinos and statewide lottery looks good

May 12, 2006

Biloxi Mayor Says Casinos Will Again Revitalize Region

Apr 20, 2006

Legalizing casinos in Arkansas could affect Oklahoma gaming

Apr 18, 2006

[Boone] County considers gambling initiative

Apr 17, 2006

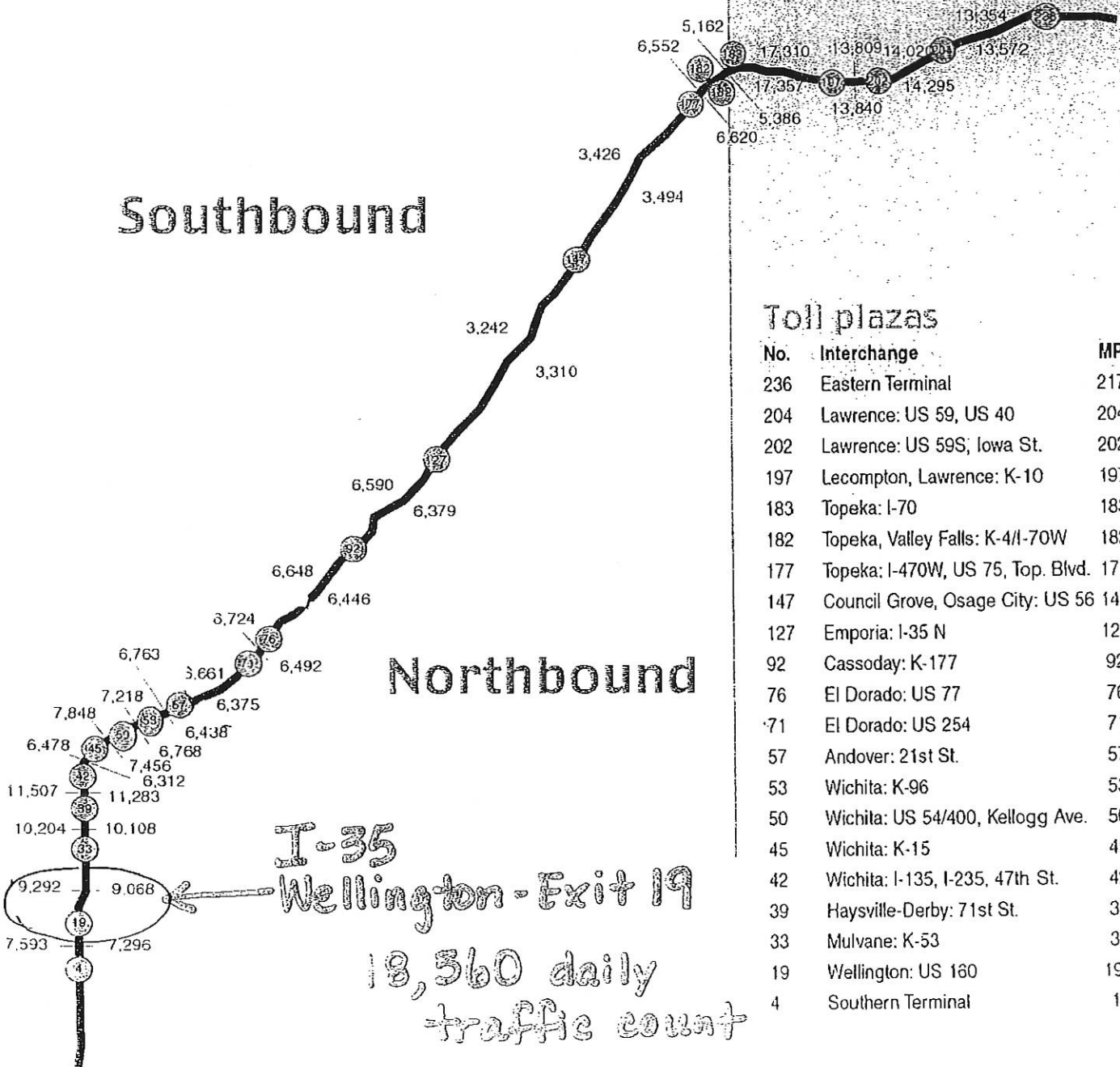
Businessman wants to build casino in [Garland] county

2915 Kavanaugh Blvd. • Suite 119 • Little Rock, AR 72205
Phone: 877-886-3158 • Fax: 775-205-7025

Average Daily Traffic

Southbound

Northbound

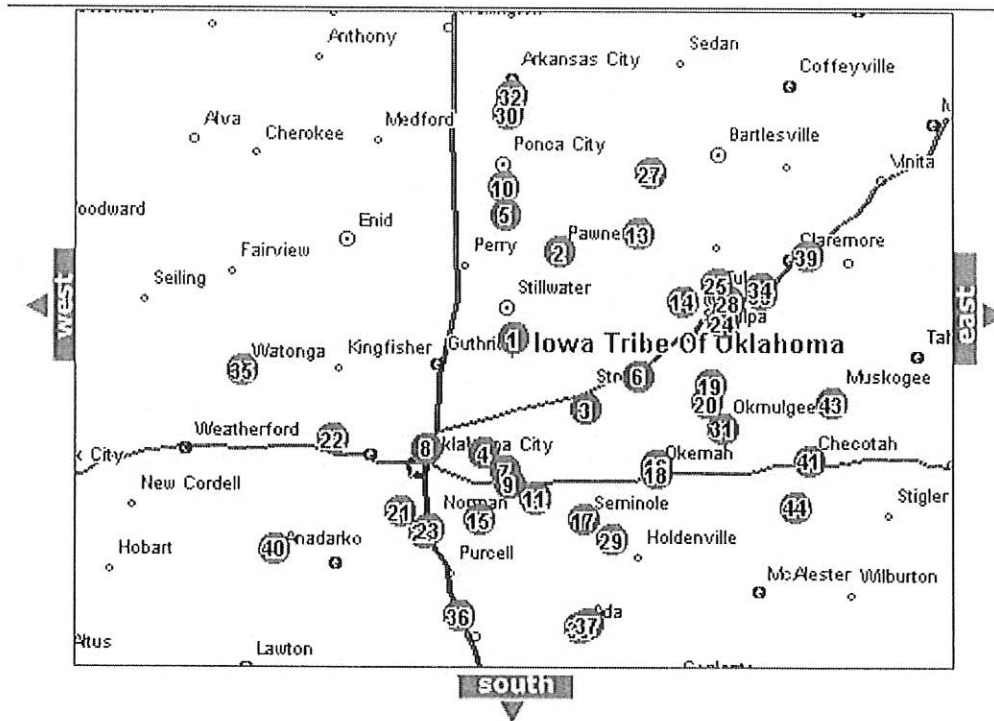


Toll plazas


No.	Interchange	MP
236	Eastern Terminal	217
204	Lawrence: US 59, US 40	204
202	Lawrence: US 59S, Iowa St.	202
197	Lecompton, Lawrence: K-10	197
183	Topeka: I-70	183
182	Topeka, Valley Falls: K-4/I-70W	182
177	Topeka: I-470W, US 75, Top. Blvd.	177
147	Council Grove, Osage City: US 56	147
127	Emporia: I-35 N	127
92	Cassoday: K-177	92
76	El Dorado: US 77	76
71	El Dorado: US 254	71
57	Andover: 21st St.	57
53	Wichita: K-96	53
50	Wichita: US 54/400, Kellogg Ave.	50
45	Wichita: K-15	45
42	Wichita: I-135, I-235, 47th St.	42
39	Haysville-Derby: 71st St.	39
33	Mulvane: K-53	33
19	Wellington: US 160	19.5
4	Southern Terminal	17

I-35
Wellington - Exit 19

18,560 daily traffic count



Click a point on the map to- Recenter Map Recenter Map and Zoom In.

Center Map on Casino 

There are 44 casinos within 100 miles of Iowa Tribe Of Oklahoma

Map #	Distance (miles)	Casino
1	0.5	<u>Cimarron Casino</u> 821 West Freeman Avenue, Perkins, OK
2	28.3	<u>Pawnee Trading Post</u> 291 Agency Road, Pawnee, OK
3	28.4	<u>Sac and Fox Casino - Stroud</u> Highway 99, Stroud, OK
4	33.6	<u>Kickapoo Conoco Station</u> 25200 East Highway 62, Harrah, OK
5	36.1	<u>7 Clans Paradise Casino</u> 7500 Highway 177, Red Rock, OK
6	37.2	<u>Bristow Indian Casino</u> 121 West Lincoln, Bristow, OK
7	37.7	<u>Kickapoo Casino</u> 25230 East Highway 62, McLoud, OK
8	39.8	<u>Remington Park</u> 1 Remington Place, Oklahoma City, OK

9	41.2	<u>FireLake Grand Casino</u> I-40 and Highway 102, Shawnee, OK
10	44	<u>Blue Star Gaming and Casino</u> 20 White Eagle Drive, Ponca City, OK
11	45.4	<u>Sac and Fox Casino</u> 42008 Westech Road, Shawnee, OK
12	45.9	<u>FireLake Casino</u> 41207 Hardesty Road, Shawnee, OK
13	46.8	<u>Osage Million Dollar Elm Casino</u> - <u>Hominy</u> 3 1/2 Miles North on Highway 9, Hominy, OK
14	49.5	<u>Osage Million Dollar Elm Casino</u> - <u>Sand Springs</u> 301 North Blackjack Drive, Sand Springs, OK
15	52.5	<u>Thunderbird Casino</u> 15700 East State Highway 9, Norman, OK
16	54.4	<u>The Golden Pony Casino</u> Interstate 40, Exit 227, Okemah, OK
17	55	<u>Mystic Winds Casino</u> 12052 Highway 99, Seminole, OK
18	56	<u>Creek Nation Casino Okemah</u> 110 South Woodguthrie, Okemah, OK
19	57.6	<u>Duck Creek Casino</u> 10085 Ferguson Road, Beggs, OK
20	58.1	<u>Creek Nation Travel Plaza</u> 2800 North Wood Drive, Okmulgee, OK
21	59.1	<u>Newcastle Gaming Center</u> 2457 Highway 62 Service Road, Newcastle, OK
22	59.2	<u>Lucky Star Casino - Concho</u> 7777 North Highway 81, Concho, OK
23	59.4	<u>Riverwind Casino</u> 1544 West State Highway 9, Norman, OK
24	59.9	<u>Creek Nation Casino Tulsa</u> 1616 East 81st Street, Tulsa, OK
25	60.1	<u>Osage Million Dollar Elm Casino</u> 951 West 36th Street North, Tulsa, OK
26	60.9	<u>Goldsby Gaming Center</u> 1038 West Sycamore Road, Norman, OK
27	61.3	<u>Osage Million Dollar Elm Casino</u> - <u>Pawhuska</u> 2017 East 15th Street, Pawhuska, OK
28	62.5	<u>Fair Meadows at Tulsa</u> 4609 East 21st Street, Tulsa, OK
29	63.7	<u>Seminole Nation Trading Post</u> US 59 and US 270, Wewoka, OK
30	64.7	<u>Southwind Casino</u>

- 5640 North LaCann Drive, Newkirk, OK
- 31 65 [Creek Nation Casino Okmulgee](#)
1901 North Wood Drive, Okmulgee, OK
- 32 70 [Native Lights Casino](#)
12375 North Highway 77, Newkirk, OK
- 33 72 [Cherokee Casino Resort](#)
777 West Cherokee Street, Catoosa, OK
- 34 72.4 [Catoosa Cherokee Smoke Shop](#)
44 North 193rd East Avenue, Catoosa, OK
- 35 77.9 [Feather Warrior Casino](#)
1407 South Clarence Nash, Watonga, OK
- 36 80.7 [Washita Gaming Center](#)
Interstate 35 and Route 145, Paoli, OK
- 37 84.1 [Ada Gaming Center](#)
1500 North Country Club Road, Ada, OK
- 38 84.9 [Ada Travel Stop](#)
14565 County Road, Ada, OK
- 39 87.3 [Cherokee Casino Will Rogers
Downs](#)
20900 South 4200 Road, Claremore, OK
- 40 91 [Gold River Casino](#)
Highway 281, Anadarko, OK
- 41 91.4 [Checotah Indian Community
Bingo](#)
830 North Broadway, Checotah, OK
- 42 92.7 [Muscogee Travel Plaza](#)
3420 1/2 West Peak Boulevard, Muskogee,
OK
- 43 92.9 [Creek Nation Muskogee Bingo](#)
3420 West Peak Boulevard, Muskogee, OK
- 44 93.9 [Creek Nation Casino Eufaula](#)
806 West Forest Avenue, Eufaula, OK

[About us](#) | [Editorial Staff](#) | [Feedback](#) | [Advertising](#)



Local News

First legal casino opens in small town of Lyons

LYONS, Kansas, Feb. 2, 2007 - In the sleepy town of Lyons, it's not what you'd expect.

"I enjoy it," Bobby Lyons, casino patron, said. "It's nice. It's relaxing. It's got a good atmosphere."

That atmosphere can be found in the basement of the Lykan Hotel. That's where you'd find the Underground Bar and Casino. It's a place where Bobby Lyons has hit it big.

"On the eighth token, I hit the jackpot, and won \$130," Lyons said.

Well if you're thinking to yourself, I thought casinos were illegal in Kansas. Well, you'd be right, except when it comes to the Underground because you're looking at the state's first legal non-Indian casino.

"Most of the reaction is, 'How are you getting away with this?'" Dick Sharpe, owner, said. "You're really not getting away with anything. You're complying with all the rules, regulations and laws."

In fact, the Kansas Alcoholic Beverage Control has inspected the underground several times and has signed off on what they even call a "small casino."

So what makes it legal?

Well, for one, the machines take tokens not money.

Two, these machines are a game of skill because the player hits a button to stop each wheel.

And finally, winners are paid by a third party. In this case, players exchange their tokens for a check from the Lyons' Chamber of Commerce.

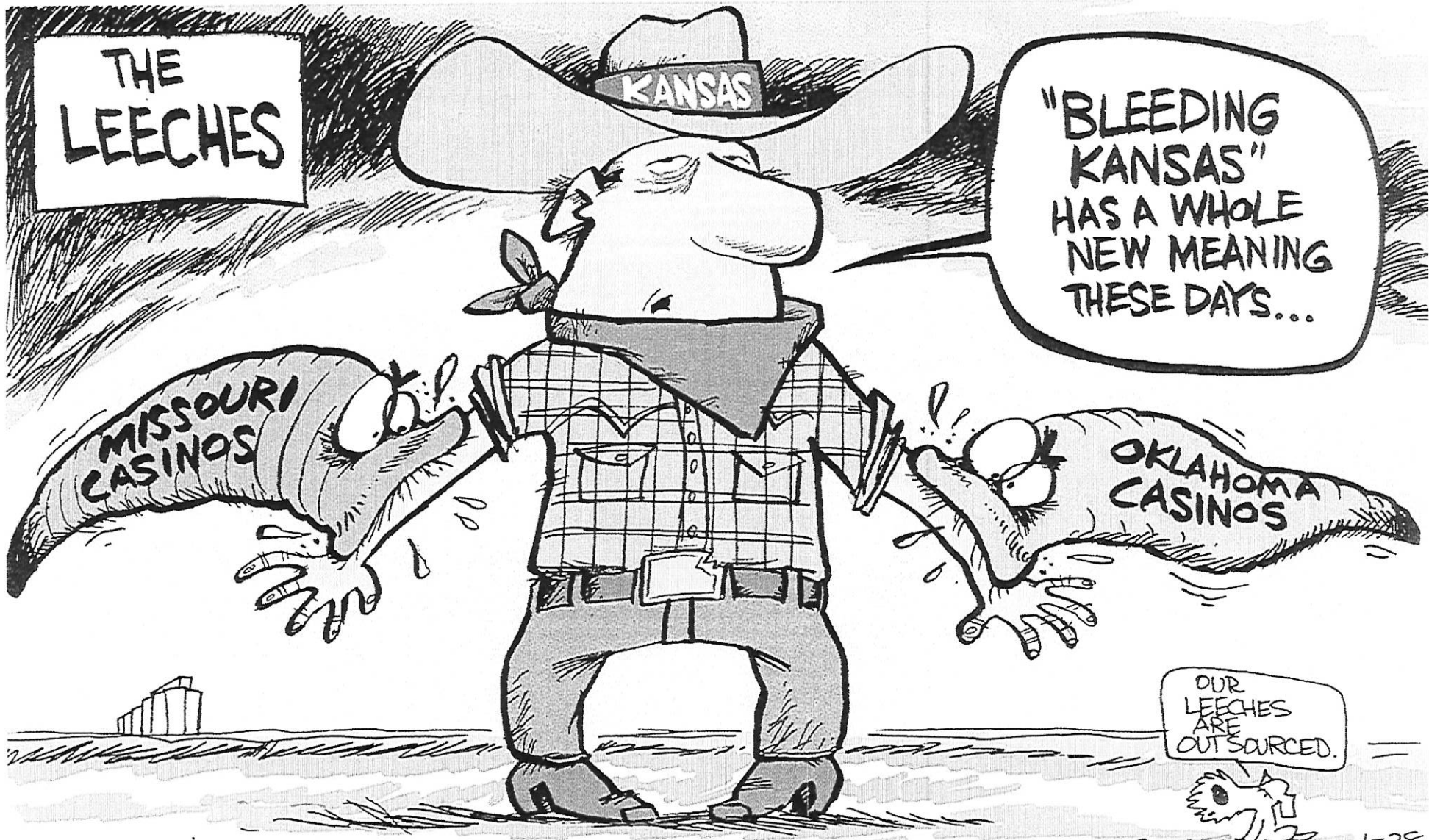
Those may seem like minor details, but the details that make this joint legal.

"People want gambling," Sharpe said. "People drive to Kansas City. People drive to Oklahoma. Why not bring it to their own backyard?"

Something Dick Sharpe and his Underground Casino has managed to do. As for his patrons, they love the excitement even if they don't always come out on top.

Story Created: Feb 2, 2007 at 6:21 PM CST

Story Updated: Feb 4, 2007 at 1:58 PM CST



THE LEECHES

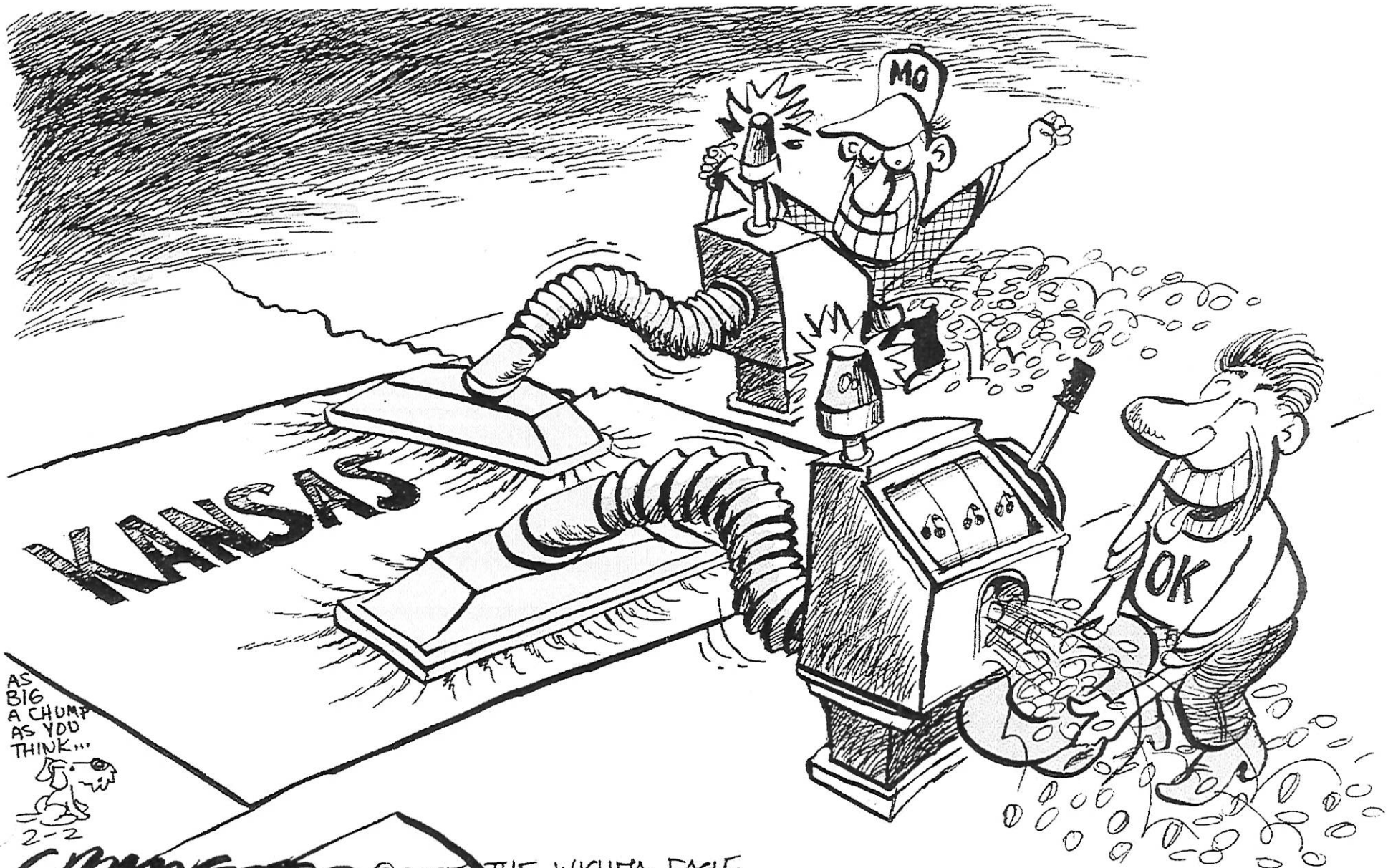
KANSAS

"BLEEDING KANSAS" HAS A WHOLE NEW MEANING THESE DAYS...

MISSOURI CASINOS

OKLAHOMA CASINOS


OUR LEECHES ARE OUTSOURCED.



AS
BIG
A CHUMP
AS YOU
THINK...
2-2

4-29



NOW OPEN!



NATIVE LIGHTS
CASINO

TO NEVADA

"Vegas Just Got a Whole Lot Closer"

EXIT 4
17 Miles Ahead
Take  East
Then  South



Testimony before the House Federal and State Affairs Committee

March 12, 2007

By:

Jeff Thorpe
Board of Directors - Boot Hill Museum, Inc.
&
President, Boot Hill Gaming, Inc.

Chairman Siegfried, Vice Chair Huebert, and Committee Members:

Boot Hill Museum, through its subsidiary Boot Hill Gaming, speaks today in support of legislation to allow for expanded gaming in the State of Kansas.

Dodge City appreciates the kind reception by the Chair and Committee members in hearing our testimony in support of expanded gaming, specifically as it relates to Southwest Kansas. For us, this is simply family business – develop a partnership that will increase tourism, economic development to Kansas, and generate meaningful tax revenues at the State, regional, and local levels. Governor Sebelius, spoke to Dodge City residents and stated that her administration will “*look to partnerships with local communities for tourism and travel as a strategy for growing this economy*”. As one of Kansas’ primary tourism destination sites, Dodge City fully agrees.

We believe a challenge to your committee is to evaluate the impacts and effects of expanded gaming and to evaluate proposals that would:

- maximize tax revenue to the State of Kansas,**
- enhance entertainment opportunities in Kansas communities,**
- enhance economic opportunities in Kansas communities, and**
- provide a sustainable, realistic business model.**

Dodge City and Ford County leaders believe we have a sustainable business model that effectively answers each of these issues.

FEDERAL AND STATE AFFAIRS

Date 3-12-07

Attachment 5

- **Maximize Tax Revenue to the State of Kansas**

Based on conservative models, Dodge City has proposed tax distribution percentages in the past that would direct revenues to State general funds, State and Southwest Kansas tourism, and local City-County municipalities in excess of \$20 Million annually.

Analysis of conservatively projected revenues indicates that a destination casino located in Dodge City would provide that level of new tax, based on estimated gross annual gaming revenues of \$54 Million. In fact, Christiansen Capital Advisors (CCA) engaged by the Kansas Lottery to assess the feasibility of gaming in Kansas, projected even higher gross revenues from a Casino in Dodge City in their 2004 report and again in their updated report of 2006, than our own estimates.

- **Enhance Entertainment Opportunities in Kansas Communities**

In 1997 Dodge City said that it would become the entertainment capital of SW Kansas and voters made a commitment to that goal when over 70% approved a one-half cent sales tax to build entertainment facilities. Today, we have a nationally recognized motor-speedway complex, state-of-the-art baseball and soccer fields, and improved concert-arena facilities.

This *'entertainment facility'* sales tax had no sunset and included a voter commitment to fund a \$30 Million Convention/Special Events Center that is currently in the development stages. Ford County voters reaffirmed their commitment to this entertainment and tourism development tax in November 2004, again without a sunset.

It is a model of public-private partnership in the development of a destination casino/convention complex. The local voter approved a \$30 Million convention/special event center – a natural companion to a destination Casino complex and the private development of Hotel facilities. Gaming compliments the investment platform Dodge City and Ford County citizens have already made in their community and our objective to be the center of regional entertainment facilities. Our convention capacity is planned to increase from less than 200 to 1,000. In addition, we have two new hotels under construction now.

Old west history clearly involved gaming parlors and games of chance. Dodge City has been a destination site in Kansas since 1872 and we're proud of our worldwide brand name. A gaming-convention complex is a comfortable companion to Dodge's invitation to revisit the legend and our promise of *'Old West – New Excitement'*.

- **Enhance Economic Opportunities in Kansas Communities**

The Christiansen report compares gaming facilities from the standpoint of revenue for the State. Clearly Dodge City's proposal is not the largest – and was never intended to be. But, it is a sustainable model that, in relative terms, could have the largest economic impact on the local area. Christiansen made the point that in the competitive areas of NE and SE Kansas it was difficult to project what could happen with competition closely across state lines.

A Dodge City facility was not designed to be supported by local gaming patrons. Southwest Kansas is a tourism destination for old-west entertainment and we are expert in developing travel itineraries and attractions for regional tourism. That is our host market. Not the largest casino – but very efficient in the development of our market.

Dodge City needs to diversify from its concentration of employment in agricultural and meat processing industries. Tourism and entertainment represent a large segment of our economic base and provide significant opportunities for expansion. Before gaming opportunities arose, Dodge City was investing largely in its quest to be the entertainment center of Western Kansas.

With a capitalized investment between \$55–70 Million to complete the casino, and over \$30 Million in local sales tax for development of a Convention/special events Center, Dodge City will add approximately 300 new jobs with estimated annual payrolls of nearly \$8 Million. Most important for us – **It's an All-Kansas team – a Dodge City destination facility will be owned, managed and operated by only Kansan's.** Every dollar of gross gaming revenue at a Dodge City facility will land in a Kansas pocket first. We don't believe any other proposed site can make that claim.

In addition, Non-lodging tourism spending is projected to increase by \$2,592,960 and gross lodging sales to increase by \$1,728,640. Not the largest impact to some – but on a relative basis, much larger to our rural Western Kansas market.

Dodge City has proposed that a percentage of gross gaming revenues may be dedicated to fund the development of a grant pool, administered through the Kansas Department of Commerce Travel and Tourism Development Division, for member-entities of 'Wild West Country', an unfunded regional tourism group comprised of 22 counties in southwest Kansas. We believe that by funding such grant-pool, members of this southwest Kansas tourism coalition will effectively gain a participatory ownership in the Dodge City casino complex that directly enhances the tourism and economic development projects in their individual communities. In other words, each member-entity has the opportunity to directly benefit from expanded gaming through funding of their local individual tourism and economic development activities. Collectively, this enhances Kansas' ability to develop regional tourism themes that will significantly benefit all southwest Kansas communities.

○ **Provide a Sustainable, Realistic Business Model**

Dodge City has long maintained a seasoned tourism infrastructure through Boot Hill Museum, who greets over 90,000 visitors per year; a very active Convention and Visitors Bureau who coordinates our marketing and delivery of first class community services, and a Chamber of Commerce-Economic Development Corporation who continuously measure and guide our community development.

- Dodge City has public/private assets in place to be a significant partner in a destination Casino complex.
- Dodge City is very experienced in the development and management of tourism services and companion industries.
- Dodge City has brought together a primary team of City, County, Economic Development Corporation, Community Facilities Advisory Board, Boot Hill Museum and Boot Hill Gaming representatives to facilitate the local control and success of an expanded gaming complex in our community. **Our development team is the people of S.W. Kansas, not an out-of-state organization. We speak for ourselves.**

Simply, Dodge City is prepared to expand its tourism services through the implementation of expanded gaming with probably the least difficulty of any city in Kansas. Dodge City is prepared to provide a first-class destination gaming facility. It's a very natural extension of our existing brand name – known world wide.

o **Summary**

HB-2055 in its current form is not the best plan from Dodge City's perspective or from Christensen's study. We believe that the CCA report gives credence to the recommendation that there be a Western Kansas non-exclusive gaming zone and that Dodge City's capital plan is perfectly sized for that market. We can always increase a facility size, but refuse to overbuild in the beginning just to satisfy a comparable model description of large-casino development in other parts of the State.

Dodge City wants to stress to the Committee the value of Kansas approving legislation providing for destination casinos. While we understand the complexity and confusion attached to many of the proposals for expanded gaming, none of that exists with the presentation you are hearing today.

We provide a clear, concise proposal for the approval of a gaming facility that is a partnership between our local community – the State of Kansas – and private development. We believe our proposal sets the standard for meeting the challenges of maximizing tax revenues, enhancing regional entertainment and economic opportunities, and being based on a solid business platform.

Gaming and Dodge City – It's very simple – It just fits!

Additional Exhibits attached:

- o **A Casino in Dodge City – Feasibility of...**
- o **A Casino in Dodge City – Local Impacts and Tax Revenues**
- o **A Casino in Dodge City – Ownership and Financing**



A Casino in Dodge City – Feasibility of...

You've read and heard the reports of a study of gaming in Kansas commissioned by the Kansas Lottery. The report was compiled by Christensen Capital Advisors LLC (CCA) during 2004 and updated in 2006. The surprise event was the focus on how successful a casino resort could be in Southeastern Kansas. Comparing Dodge City and the Galena area, the consultants stated in their 2006 report:

"...a destination casino resort in the southeastern corner of the State makes more sense than one in Dodge City despite the recent changes in gaming in Oklahoma. With only 62,749 adults within 50 miles, and 738,501 within 150 miles, the Dodge City market will simply not support a large destination casino. CCA estimates that the potential gross gaming revenue from a Dodge City casino (destination or otherwise) would be \$57.7 million, compared to a market potential as much as \$161 million for a destination casino in southeast Kansas."

CCA continued by noting *"A casino in the Galena area would be vulnerable to further increased competition in the case that a new license is approved in Missouri closer to Springfield (cutting off that market). Similarly, a casino and/or racino in Kansas City would be vulnerable to increased competition should Missouri remove its present loss limit, thereby increasing the competitiveness of Missouri casinos. Such risks are inherent in this type of development and beyond the control of the Kansas Lottery, or any branch of Kansas government."*

The report by CCA also discusses the revenue potential of destination casinos in the Kansas City area at \$255 million and Wichita area at \$241 million.

We don't disagree! Dodge City has always presented itself as the 'fourth market' for expanded gaming in Kansas.

The good news is that the consultants (CCA) estimated Dodge City gaming revenues at \$57 million, higher than Dodge City projects at \$54 million. CCA built their assumptions entirely on a trade-pull area – drive in patrons – but not including Dodge City's existing tourism, bus tour development and world-wide brand name.

Dodge City has always proposed it's site as the smaller of the four with an estimated cost of construction between \$50-70 million or less. In fact, previous gaming legislation was designed to favor a Dodge City facility by lowering the minimum capital investment to \$30 million. The large complexes proposed in Northeast and Southeast Kansas are easily in the \$200 million plus range.

Dodge City is not the biggest casino proposal in Kansas, but it is the most organized in the State, developed entirely by local non-profit and public/private interests, and dedicated only to the development of tourism in the 22 Counties of Southwest Kansas, new businesses and tax revenues. **Dodge City is an 'All Kansas Team'** – of-the-people – for-the-people in Southwest Kansas.



A Casino in Dodge City – Local Impacts and Tax Revenues

Boot Hill Gaming, Inc., a subsidiary of Boot Hill Museum has been working with other Kansans to bring gaming to our state. We know that hundreds of thousands of people travel hundreds of thousands of miles each year to gamble. Why not bring some of them to Kansas – particularly Dodge City and southwest Kansas?

The local economic impact for Dodge City and the surrounding 22 counties in Southwest Kansas would be monumental. Based on conservative figures, we could expect more than 500,000 visitors each year in our area, visiting towns along the way to Dodge City.

The casino alone would create more than 300 new jobs, adding nearly \$8 million in new local payrolls.

Boot Hill Gaming's desires a plan that provides for payments to the State of Kansas, Ford County, the City of Dodge City and Boot Hill Museum. Besides helping the budget in Topeka, this plan would improve life in Southwest Kansas.

Gaming legislation will provide specific percentages of gross gaming revenue to be paid to the state (for example - 22%) and Ford County (4% divided between City and Boot Hill Museum) and additional funding for regulation (2%) and problem-gambler treatment services (0.5%). When these percentages are applied to estimated gaming revenue, a casino in Dodge City would provide nearly \$16 million annually in new tax revenues. (All percentages are examples only)

That means approximately \$12 million annually in new tax revenue to the state – over \$800,000 annually to both Ford County and Dodge City - \$270,000 a year to fund quality problem-gambler treatment services- over \$1 million each year back into tourism development for the state, southwest region and Boot Hill Museum – and full costs of regulation and oversight by the state.

In addition, the casino and ancillary service facilities (hotel, dining, entertainment venue, and conference facilities) would add at least \$30 million of infrastructure to our County/City tax base and pay significant property taxes. Projections show that the destination casino enterprise would generate nearly \$1 million annually in sales and transient guest taxes to Ford County and Dodge City.

Overall, the casino enterprise is projected to contribute nearly \$20 million annually in new tax revenues and regulatory fees – not including benefits of \$7-8 million in new payrolls.

When we look beyond the revenue capacity of the casino complex, the project will serve as a catalyst for a host of new and expanded retail and service businesses in Dodge City and add significantly to the value of regional marketing and tour promotion. It's conservatively estimated that non-lodging tourism spending and gross lodging property sales in Dodge City would grow by at least 28% as a direct result of the gaming – convention complex.

Private funding – managed locally for the benefit of Dodge City – a clear companion to our tax-supported entertainment facility, equals a tremendous step forward in diversifying our local economy, expanding our tourism and providing direct and measurable tax and financial impacts.



A Casino in Dodge City – Ownership and Financing

Who will own and operate a casino complex proposed to be built in Dodge City?

Boot Hill Gaming, Inc. (BHG) is a for-profit, wholly-owned subsidiary of Boot Hill Museum. It was formed to separate their lobbying efforts from Boot Hill's normal role as a museum and entertainment facility and charged with the idea of determining whether casino gaming would be beneficial for Dodge City. Boot Hill Museum's primary goal was to find a permanent revenue source that would ensure the museum's future through increased patron visits. A percentage of gaming revenue was a very likely source, as pari-mutuel tracks are required to pay a percentage of their revenue to local non-profit organizations.

Various proposed bills have stated that a destination casino enterprise must include ancillary operations including service facilities such as a restaurant, hotel, entertainment venue, and meeting space that is a part of the destination casino complex. In other words, Dodge City cannot just build a stand-alone casino - it must include ancillary facilities and services.

Proposed bills have also stated that a destination casino enterprise, including its physical infrastructure and real estate and all property and equipment shall be owned by the destination enterprise manager. BHG fits the definition of being the destination enterprise manager and may be the one that provides financing for construction and development of the whole complex, including the destination casino.

Legislation may require that there be an investment in infrastructure of at least \$50 Million and must demonstrate through a market study the feasibility of a destination facility. In addition, proposed legislation may require an accelerated payment of up to \$15,000 per slot machine (with 1,000 machines this will be about \$15 Million) that is due at the time of contract between the State and the destination enterprise manager. This is expected to be 'pre-payment' of tax and recoverable over a five-year period.

The destination enterprise manager must also purchase or lease gaming equipment at a cost between \$10 and \$15 Million (for the size of casino Dodge City recommends), including computer networks and communication systems with the state Lottery. However, to be in accordance with the Kansas constitution, the certificate of authority issued by the state will place "full, complete and ultimate ownership and control of the gaming operation of the destination casino with the Kansas Lottery".

Total costs should run between \$55 and 70 Million to build and equip the casino complex. Those costs would be funded privately by BHG - the casino operator that will eventually be hired - the hotel developer - or some combination of all three. There will be no tax-dollars used in building the destination casino enterprise.

There has been discussion that a Special Event Center, funded by Why Not Dodge sales tax revenues, could be located adjacent to the destination casino complex. This would represent use of tax-dollars, however that project would be independent from the destination casino enterprise.

The destination casino is not dependent upon having the Special Event Center, however BHG believes the Center may be more successful because of its correlation with the casino complex.

Kansas Greyhound Association
711 Old HWY 40
Abilene, KS 66749

Steve Ward
President

Testimony
House Federal and State Affairs Committee
HB 2055

This is an important time for the Kansas Greyhound Industry. We have success to report, and a challenge to face.

Kansas is known world wide as a leader in the production of greyhounds for the racing industry. Our record speaks for itself. Last week, the world's richest greyhound race was held in Florida. The Derby Lane Millions – a one million dollar greyhound race – was won by a Kansas greyhound operator from Abilene. It is important to note that six of the eight greyhounds that qualified for the final race were from Kansas.

This is the second year in a row that a Kansan has won this race and brought home the half million dollar first place money. Last year Kansans took 1, 2 and 4th in the same race. We have the expertise and the resources in that create an environment of winning in a very competitive field.

In just this one race, Kansans have brought more than \$1.5 Million to our state in the last 12 months. That is just the tip of the ice berg. Our best greyhound operators compete at the best racetracks in the nation, and they win those races as well.

States like Rhode Island, West Virginia, Iowa, New Mexico, Louisiana, Delaware and Arkansas support the agricultural side of the racing industry through high quality competitive racing at parimutuel racetracks. Those states allow their parimutuel racetracks to offer competitive facilities that feature a range of gaming opportunities. Last year, 16 racetracks added slot machines to their range of gaming opportunities. Forty-Six tracks in 13 states now offer slots in addition to parimutuel wagering.

In a world where gaming has become part of the economy in nearly every state, it is a mistake to limit the ability of any gaming facility to compete for customers. Leaving our Kansas racetracks out of any expanded gaming proposal would devastate an important industry that reaches far beyond the racetrack facilities.

FEDERAL AND STATE AFFAIRS

Date 3-12-07

Attachment 6

The vast majority of jobs created by the greyhound and horse industry are not at the tracks. Breeders, trainers, veterinarians, equipment manufacturers, feed suppliers and other services spread throughout are state. The racing and gaming commission issued more than 2,500 occupational licenses for people who draw their income directly from the racetrack operations. Beyond that, we believe another 3,000 people rely on the horse and greyhound industry for their livelihood.

That's more than 5,000 jobs today. And those jobs are at risk.

While some consider the live racing industry to be dying, other states are actively pursuing growth in both the horse and greyhound business. The tracks are the hubs, for hundreds of breeders who create thousands of jobs. As we speak today, Kansas breeders are establishing new farms in other states. Those states use growing purses, and special incentives for "in-state" breeding operations. We are losing much of our legacy, as our tracks are left in an uncompetitive environment.

Kansas horsemen take their horses to Oklahoma to foal, because an Oklahoma horse is worth more than a Kansas horse. And Kansas Greyhound operators take their dogs to places like Iowa and West Virginia for the same reason. As these operations move, our state loses even more.

There was a day when every job in rural Kansas was precious. Today, some would like to treat our industry and the horse industry as a lost cause not worthy of saving. The industry isn't lost, it will move forward. It is they jobs that create opportunity in our state that will be lost. Can you truly write off 5,000 jobs in rural Kansas?

It does not take special tax cut legislation or STAR Bonds to save these jobs. HB 2055 is a plan that allows the state to recapture money it loses to other states, and helps recapture jobs that are rapidly making their way out of state as well. All the while increasing revenues to the state.

It is time to move forward and support our state's rural economy. We urge your support for HB 2055

Kansas Wins AGAIN!

The world's richest greyhound race was held this past Saturday in St. Petersburg, Florida.

1 Greyhound

1 Race

\$500,000

First Place

**Vince Berland
Abilene, Kansas**

SIX of the eight greyhounds in the million-dollar final were Kansas greyhounds.

A Holyrood greyhound operator took third, for \$125,000.

In all, Kansas operators took more than \$700 thousand dollars of the total \$1 million dollar purse.

The Kansas Greyhound Industry leads the nation, with the best and the brightest operators and greyhounds. (Fastest too!) Unfortunately, our best operators make their living racing in other states where purses are enhanced by slot machine revenues at the tracks.

The \$500,000 winner is....

Flying Stanley

The 84-pound greyhound has won three stakes since September: Great Kansas Shootout at **Wichita Greyhound Park**, Kansas Bred Juvenile at the **Woodlands in Kansas City** and the All-Star Kennel Preview at Derby Lane. He also was third in the Kansas Bred Sprint at the Woodlands and fifth in the Woodlands Fall Futurity. He is the Woodlands' record-holder at 550 yards, 29.48 seconds, and has won 23 of 34 lifetime starts.

Owned by Vince Berland

Flying Eagles Farm in Abilene KS

With two farms, 470 greyhounds, five children and seven grandchildren with another on the way, Vince Berland gets pulled in many directions. He loves the diverseness, acknowledging a good life with wife Laurita.

Berland speaks often of Flying Eagles Farm and Flying Eagles West in Abilene, Kan., where thousands of dogs have spent time over the years. Standouts such as All-Americans Kiowa Sweet Joe (2002), Kiowa Sweet Trey (2001), LA Striker (2001) and Flying Neptune (1995) have pushed Berland toward the top of the greyhound world.

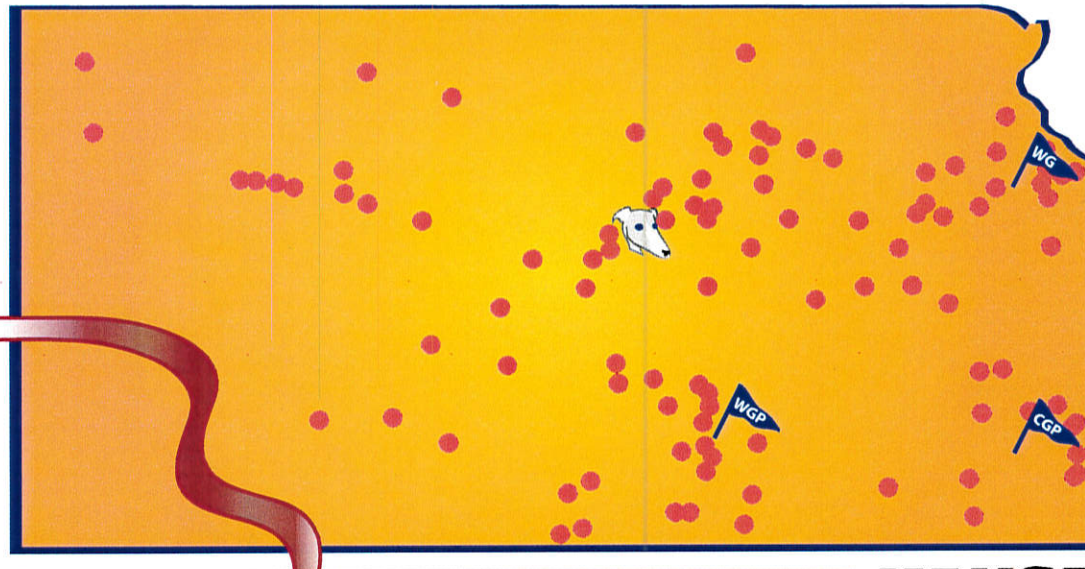
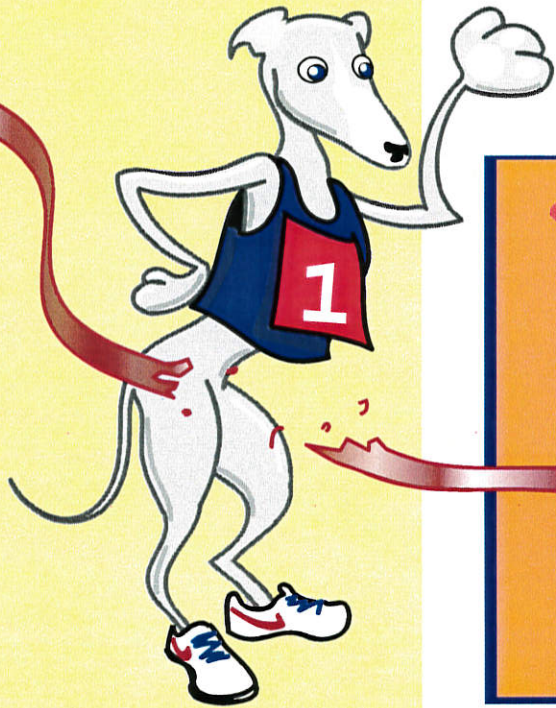
Make Kansas a Winner!

Kansas Greyhound Agri-business can be the State's next 200 million dollar cash crop...

GREYHOUND INDUSTRY AT A GLANCE:

- 309 Kansas Owners, Breeders, Operators
- 900 Workers in the Greyhound Industry
- 23,786 Greyhounds in the State
- 32 Million Estimated Livestock Value

- 10.5 Million Dollars Building Investment
- 9.5 Million Dollars Equipment Investment
- 6.6 Million Dollars Land Investment
- 1.7 Million Dollars State Income Tax Paid
- 385K Property Tax Paid



National Greyhound
Hall of Fame
Abilene, KS



Woodlands
Kansas City, KS



Wichita
Greyhound
Park
Wichita, KS



Camptown
Greyhound
Park
Pittsburg, KS



Multiple Locations
of 300 Greyhound
Businesses

KANSAS
GREYHOUND
ASSOCIATION

State
2013

6-5

The Kansas Quarter Horse Racing Association

P.O. Box 228 / 210 N Jefferson • Eureka, KS 67045
Toll Free (866) 583-7510 • (620) 583-7510 • FAX (620) 583-7118
Web Address www.kqhra.com • E-Mail kqhra@sbcglobal.net

March 12, 2007
House Federal and State Affairs Committee

In support of HB 2955

Jeff Rutland
1047 East College Avenue
Independence, Kansas 67301

Chair Siegfried:

As the world around us changes, all industries must make corresponding modifications in order to stay competitive and profitable. The pari-mutuel racing industry is unique in many respects. One of the most stringent elements of this uniqueness is that we require legislative action before we can make the necessary changes and modifications to not only protect, but also to preserve, our source of income. This is because our industry is so tightly regulated.

In the 1980's pari-mutuel wagering accounted for 24% of the gaming dollar in America. It was the only form of gambling permitted outside of Nevada. The competition of today's lottery, riverboat casinos and Indian casinos have completely restructured that scene, leaving less than 7% of the gaming dollar available for racing. As the competition for the disposable income "gaming dollar" has lured money away from the racetracks and into the casinos, horsemen have been forced to move their operations to states that understand the economic contribution made by horse racing. These states have proven their comprehension of the industry by taking proactive measures to redirect part of the lost gambling dollar back into racing.

Our laws no longer shelter us from gambling – they only isolate us from its revenues.

Horse racing is not dying. Instead, it is simply relocating to states that offer better incentives for investment. It is this same relocation that is causing the threatened abandonment of the industry in Kansas.

States that have allowed gaming at racetracks are attracting horses from all over the country. The growth of the agri-business in Louisiana, New Mexico, Oklahoma and Iowa – where expanded gaming is generating big dollars for the horse industry - is phenomenal.

FEDERAL AND STATE AFFAIRS

Date 3-12-07

Attachment 7

Many non-rural people don't understand the value and importance of the horse industry. As a result, they ask why the state should lend assistance and support. In partial answer, I would like to quote from a recent study conducted by Deloitte Consulting. It states, "The United States horse industry is a large and economically diverse industry that is a key contributor to the overall fabric of the U.S. economy. Horse owners and industry suppliers, racetracks, horse shows and other competitions, recreational riders and other industry segments all generate discrete economic activity contributing to the vibrancy of the overall industry. The spending generated within the horse industry, and the subsequent spending between co-dependent industries, contributes hundreds of thousands of jobs and billions of dollars to the economy on an annual basis. It provides \$39 billion in direct economic impact. Adding indirect and induced spending, that number rises to \$102 billion. There are an estimated 1.4 million full-time job equivalents in an industry that contains approximately 9.2 million horses."

There are more than 2 million horse owners and 2 million volunteers. The industry contributes approximately \$1.9 billion in taxes on an annual basis to all levels of government.

A significant share of this U.S. total can be attributed to Kansas. At one time, Kansas ranked as the 5th leading producer of quarter horses in the nation. Several world champion racehorses, jockeys, owners and breeders have called Kansas their home. These are honorable statistics that, unfortunately, have changed dramatically; with many breeding farms and individuals relocating to other states that offer better purses based on expanded gaming. Obviously, states with better programs attract a greater and more productive segment of the industry; with at least 13 states contributing more than \$1 billion each from the horse industry to the GDP. This is what I meant when I said we must make changes in order to protect and preserve our income source.

Kansas' natural resources – feed, hay, open land, labor and centralized location – offer a tremendous potential for the state to attract new investment while simultaneously reviving existing facilities.

None of this is speculation. We've seen proof of the positive benefits of expanded gaming in Louisiana, New Mexico, Iowa and, now, Oklahoma. The dollars are traceable and provable. Their state breeder's programs attract out-of-state owners to ship in horses to be bred, foaled, reside and train there.

Rutland Ranch, my family facility, has been recognized several times as one of the leading breeders of horses in the nation. We have a horse barn that is literally larger than a football field. Our tax returns will show as much as \$355,000 spent on feed and hay alone, in a year's time. We have bred as many as 700 mares in a year to our stallions, attracting mare owners from all over the United States and Canada. We have been a solid contributor to the rural Kansas economy for many years. But what happened last fall? That's when I hauled eight of my mares to Iowa to allow them to have their babies there this spring. That means I ignored the investment I have in my farm. I ignored the fact that

I pay employees to help care for my horses, yet, now I'm paying someone in another state to do the same thing. I've added substantially to my operational expenses without increasing my at-home income. That may sound like foolish business sense, but the earning potential for an Iowa-foaled racehorse makes this decision to leave Kansas a reluctant but reasonable choice. Meanwhile, the tire shops, trucks stops, trailer sales, restaurants, grain and hay farmers and veterinarians in Iowa just smile and wave as they see me drive up and down the Iowa roads while transporting these mares back and forth. At the same time, those same facilities – located in Kansas – are trying to survive. I feel a deep responsibility to help them, but the outlet to market my product in Kansas is no longer financially feasible. Our industry is being driven to other states.

Iowa has experienced an additional \$150 million investment in horse farm operations between 1995 (when the legislation for slots at racetracks was approved) and 2003. Iowa shows over \$100,000 million in annual operating expenses for horse operations compared to the \$40 million spent in 1995.

New Mexico boasts an increase in equine veterinary services from just over \$300,000 in 1998 to over \$1.5 million currently. Like Iowa, this financial swell is due to the introduction of slots at racetracks. Feed purchased in the state has increased five fold over this same period. Sadly enough, in a pamphlet promoting the New Mexico racing program, Kansas is one of the states shown to have several breeding operations relocate to New Mexico since 1998. This is worse than sad.

Louisiana, one of the states to bring slot machines to racetracks in recent years, reflects similar increases in horse breeding and racing-related activities in the state. They refer to it as a “genuine investment incentive”.

To allow horse racing to disappear from Kansas would be a tragedy to our economy and to our heritage. We have all learned a lesson from horses at some point in our lives. Watching a young child grin as he touches the soft nose of a baby colt for the first time; seeing a teenager brush his 4-H project until it shines, knowing that horse is giving him back all the unconditional love and understanding one could ever imagine; remembering Secretariat when he showed us the true heart of a champion when he won the Belmont by over 20 lengths; and feeling the pain and sorrow, yet strength, that we all gained as we watched last year's Kentucky Derby winner, Barbaro, finally succumb to the tragedies he had suffered, all reminding us of those Alan Jackson lyrics “Faith, hope and love are some good things he gave us, but the greatest is love”. Don't allow us to lose sight of the good values that horse racing brings to our lives. And please, don't mistake my words for emotional sentimentality. I am passionate about horses. I love them. But I'm also a businessman, who sees an entire industry and its economic contributions falling by the roadside. You can stop that from happening, and you also have the power to take what remains of our industry and provide a complete rejuvenation. That's what we're asking.

**Capitol Consulting Group
Doug Lawrence
902 Miami St.
Burlington, KS 66839
(785) 806-6639**

March 12, 2007

Testimony on behalf of Ruffin Companies
HB 2055

HB 2055 is the result of several years of effort in the Kansas Senate to craft legislation, which allows the state to responsibly begin the process of recapturing millions of dollars in revenue lost to our neighboring states through gaming.

Kansans spend millions of dollars every year at Missouri riverboats, tribal casinos in Kansas and Oklahoma and other gaming facilities in Iowa and Oklahoma. Those states and tribes receive the benefit of the gaming that is generated. Kansas does not.

There are now 90 tribal casinos in Oklahoma. Many of these facilities have been placed along the Kansas-Oklahoma border with the express purpose reaching the Kansas market, including Wichita. The message is everywhere. Oklahoma tribes market their casinos on Wichita television. They have billboards more than 70 miles north of the border, on the turnpike, touting easy access to their facilities.

The truth is Kansas has gaming. We have the costs associated with gaming. But we don't have the benefits.

As the Kansas border has developed into a \$1 Billion market with dramatic growth of new gaming facilities along the Kansas-Oklahoma border. The impact on the pari-mutuel racetracks has been equally as dramatic. The precipitous loss of market has clearly put these facilities at risk. The Wichita Greyhound Park has lost millions of dollars in recent years.

The losses have been significant for the Greyhound operators who run at the track as well. The purses earned at these tracks flow out of Wichita to rural Kansas where greyhound breeders and trainers ply their trade. Low purses leave the tracks uncompetitive because the best greyhounds are shipped to states where slot machines make it possible to pay much more competitive purses.

The synergy between the pari-mutuel racetracks and the horse and greyhound breeding industry is important to places like eureka downs and Anthony downs as well

FEDERAL AND STATE AFFAIRS

Date 3-12-07

Attachment 8

because those facilities rely on revenue generated at all tracks to keep these facilities operating.

The Wichita Greyhound Park employs about 300 people directly. But it supports thousands of people who are connected with the agriculture side of our business.

HB 2055 simply allows the racetracks to offer a form of gaming which is already readily available in our state and beyond, while authorizing development of full destination casinos in places where the market makes sense.

Racetracks are gaming facilities. They should be allowed to offer additional gaming products in order to compete with facilities already existing in this state, and along our border.

If this bill were to become law, the owners plan significant upgrades to the facility adding another significant tourism opportunity for the Wichita market, while restoring millions of dollars in lost revenues to the state and rural economy through increased purses.

I urge your support for HB 2055

[<<Back](#)

Remington attendance up 340 percent

June 9, 2006 12:13 PM

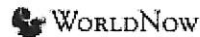
ASSOCIATED PRESS

OKLAHOMA CITY -- Remington Park reports its attendance more than tripled this year after a casino opened at the horse racetrack.

Remington says its total attendance for the quarter horse season was just over 270,000 people. That's an increase of 340 percent. During the season, Remington awarded more than \$8.7 million dollars in purse money.

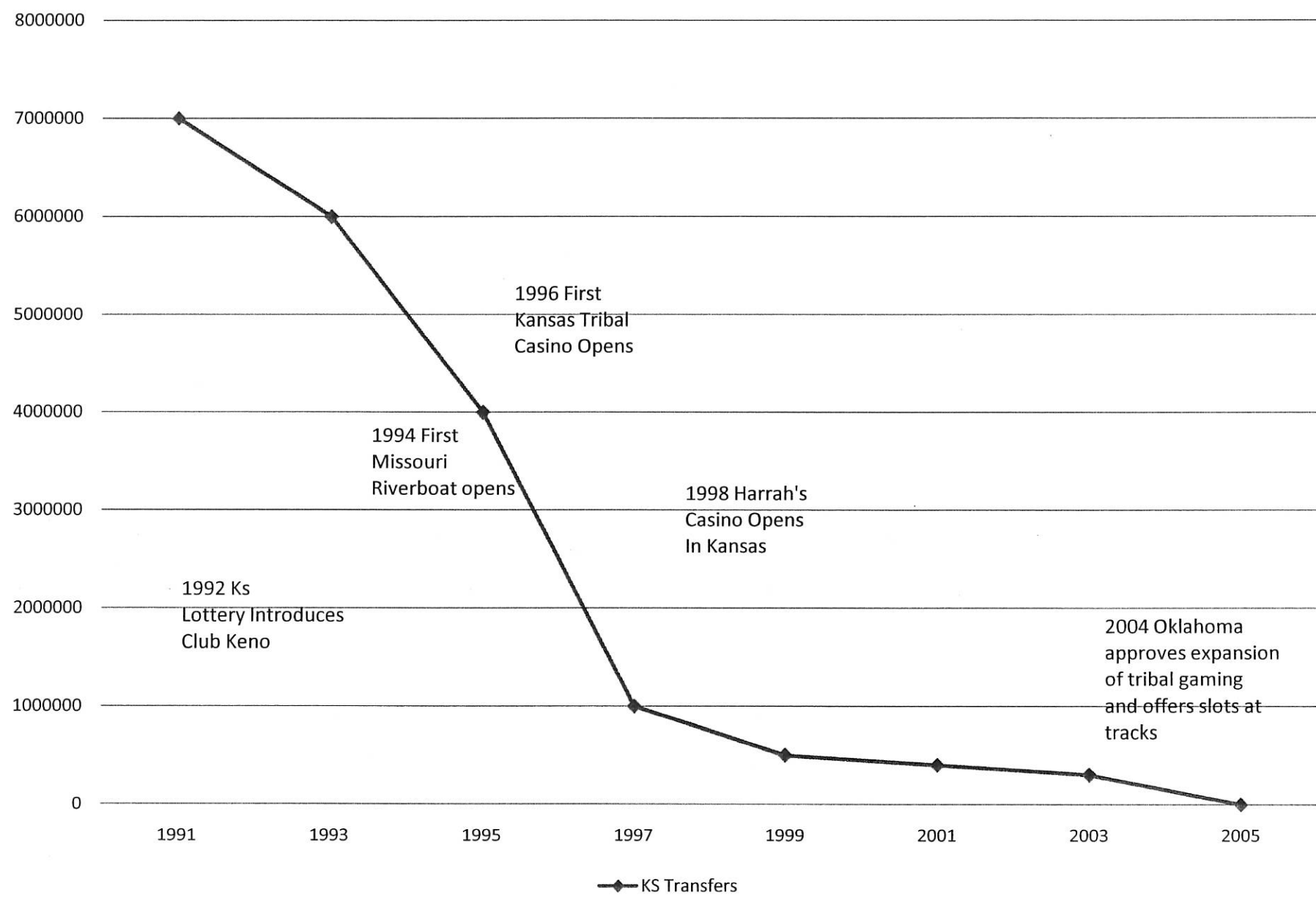
That's more than double the \$4 million awarded last year. Remington's quarter horse season ran from March tenth to June fourth. The park's thoroughbred meet begins August fourth and runs through November 28th.

Copyright 2006 Associated Press. All rights reserved. This material may not be published, broadcast, rewritten, or redistributed.



All content © Copyright 2001 - 2007 WorldNow and KFOR-TV . All Rights Reserved.
For more information on this site, please read our [Privacy Policy](#) and [Terms of Service](#).

KS Transfers



HB 2055
Key Provisions
Prepared by Doug Lawrence

Destination Casino Provisions:

1. Voter approval required in host county
2. Two zones authorized for development of Destination Casino facilities
 - a. Northeast Kansas Zone (Wyandotte County)
 - b. Southeast Kansas Zone (Cherokee/Crawford County)
3. \$200 Million minimum investment required including amenities designed to attract visitors from outside the state of Kansas.
4. \$35 Million privilege fee paid on approval of management contract
5. Funds distribution:
 - a. Minimum 24% to the state, competitive proposals allow for negotiation of actual state participation in revenues.

Parimutuel Racetrack Facility Provisions:

1. Voter approval required in host county
2. Electronic Gaming Machines (Slots) authorized for placement at existing track facilities:
 - a. Wyandotte, Crawford and Sedgwick County
3. If a parimutuel racetrack facility is licensed in Ford County (Dodge City) the lottery may place electronic gaming machines at that facility pursuant to this section.
4. \$ 5 million privilege fee required in Sedgwick County, \$3 million dollar privilege fee required in Ford County (if licensed)
5. Number of machines at facilities determined by lottery director subject to a 25 year cap of a maximum total of 5,000 machines.
6. Funds Distribution:
 - a. Minimum 30% to the state with mechanisms to provide additional revenues depending on the terms of the management contract

Moratorium on further expansion of gaming:

1. Five year ban on authorizing any additional destination casinos beyond those initially authorized in the legislation, with contractual penalties for violation of the prohibition
2. 25 year prohibition on authorizing additional gaming facilities in the state, unless those facilities are required to make a minimum investment of \$200 million which is ratcheted annually by 5%, and pay a privilege fee of \$35 Million which is also adjusted annually by 5%
3. 25 year contractual and statutory cap on number of slot machines at parimutuel facilities

FEDERAL AND STATE AFFAIRS

Date 3-12-07

Attachment 9

Additional Provisions:

1. Distribution of state's share of revenues:
 - b. 25% directed to regents deferred maintenance program
 - c. 25% directed to KPERS funding and 3% COLA program for retirees
 - d. 25% directed to property tax relief
 - e. Balance to the General fund
2. Extends the Kansas Lottery by 25 years to 2032
3. Requires all games to be subject to the ultimate control of the Lottery and subject to deactivation at any time by the lottery director.
4. Requires approval of games, testing of machines and certification of machines by the Racing and Gaming Commission
5. Background check requirements and qualifications more stringent than any other state in the nation for gaming licensure.
6. Annual audits of all facilities by the Racing and Gaming Commission
7. Prohibition on use of Tax Increment Financing, revenue bonds or similar financing mechanisms for gaming facilities
8. Prohibition on Tax abatements for gaming facilities



President
Mark Love

Executive Secretary
Treasurer
Andy Sanchez

Executive Vice
President
Wil Leiker

Executive Board

*Paul Babich
Doris Branham
Mike Brink
Kurt Chaffee
Herb Dicus
Rick Greeno
David Han
Tom Harkness
Hoyt Hillman
Larry Horseman
Jim Keele
Lloyd Lavin
Emil Ramirez
Steve Rooney
Rory Schaffer
Mark Shughart
Richard Taylor
Brian Thompson
Dan Woodard*

**TESTIMONY
Presented to the
House Federal and State Affairs Committee
by the Kansas AFL-CIO
In Support of HB 2055
March 12, 2007
By Andy Sanchez, Executive Secretary-Treasurer**

Thank you Chairman Seigfreid, and Members of the Committee.

I appear before you today on behalf of the 39,000 members of the Kansas AFL-CIO. Our members are associated with us through the 250 unions that are affiliated. Most are good paying jobs with benefits that allow the opportunity for them to provide for their families. Our members work in the skilled trades and build our cities. HB 2055 means job opportunities for our members.

HB 2055 provides job opportunities beyond the operation of such facilities that is important to note. Too often we look past the construction phase and the local supply vendors used by the contractors awarded the job. The impact to the local economies are huge and that is compounded as we begin to think about service work and improvements to the gaming facilities beyond the original contract.

Contractors must bid their work in man-hours. As example and a general rule of thumb we can expect that 10-15% of construction costs will be spent in just the electrical portion alone, another 15-20% in mechanical. Depending on the size, one such facility could require hundreds of thousands of man-hours across all trades. This opportunity by you to influence economic development cannot readily be replaced in any other industry.

Construction is much more than temporary seasonal work. Kansans have great talents for constructing. Each project allows for training opportunities to the next generation of workers. Such opportunities are immeasurable.

HB 2055 should pass on its own merits of generating revenues to do good. My point for being here today to support the operation of expanded gaming is to let you know it doesn't stop there. Kansas workers are ready to put their skills and talents to work. Economic development spurs more economic development. But, passing on such an opportunity means opportunities lost for jobs.



We respectfully urge your consideration and support of passage of HB 2055.

FEDERAL AND STATE AFFAIRS

Date 3-12-07

Attachment 10

fire last year and less funding for the fair meet has taken its toll. Eureka Downs has gone from running 20 days of races in 2005 to 18 days in 2006 and now 13 days for 2007, just to stay alive one more year. Eureka Downs is a tremendous asset to the Flint Hills Region not only as a tourist attraction but also as an environment for employment and small businesses in our community and Greenwood County.

My husband, Glen and I own Melson Training Stable and we have operated our stable from Eureka Downs since 1991. In the early years of our stable we averaged 40 head of horses, all of them running in Kansas. In 1995 the lure of bigger purses in Iowa enticed our owners to run at Prairie Meadows for three months out of each year. Which wasn't too bad, we were able to run at Eureka Downs then Prairie Meadows and back to the Woodlands. But as the years have gone by our owners run less horses in Kansas and more in Iowa and now Oklahoma. Now we average 30 head of horses in our stable and maybe 10 of them will run in Kansas. The others will run in Iowa or Oklahoma because the owners want to run for larger purses. It is hard to keep our owners running in Kansas when other states are offering much larger purses due to revenue from slot machines at race tracks. Now many Kansas owners are taking their mares to Iowa and Oklahoma to foal so they can participate in those States Breeding programs and gain more money and awards for their horses. Last year 201 Kansas owned horses ran in Iowa, earning nearly \$2 million dollars. At one time Kansas ranked 3rd in the nation for quarter horse production, now we are around 15th in the nation.

The agricultural industry in Kansas has been struggling for some time. With your help in passing a bill that would encourage the growth of the horse industry in Kansas we may begin to attract more horse farms and training stables to move back to Kansas. My husband has been offered training positions in other states and we have chosen to stay in Kansas. But I don't think we can hold out much longer. Our children and grandchildren all live in Kansas. My daughter keeps telling me, "Mom if you move we're going with you". Our youngest son also trains racehorses here in Kansas and he will be in the same position we are if racing doesn't improve in Kansas.

I implore you to pass House Bill 2055, not only for the racing industry, but also for the historical heritage of Eureka Downs and to keep a Kansas family together in Kansas.

I appreciate your time and attention, if you have any questions I would be happy to address them now.

Sincerely,



Betty Melson
Assistant Trainer
Melson Training Stable

Testimony

of

Ross Vogel

KANSANS FOR ECONOMIC GROWTH

Kansas House Federal and State Affairs Committee

March 12, 2007

FEDERAL AND STATE AFFAIRS

Date 3-12-07

Attachment 12

Cole Hargrave Snodgrass & Associates
INCORPORATED
201 Robert S. Kerr • Suite 301 • Oklahoma City, Oklahoma 73102-4202 • 405/648-1585 • 405/415-3017 • Fax 405/236-2755 • e-mail:chs@chs-inc.com

DATE: January 3, 2007

TO: Kansas Media

FROM: Pat McFerron
Cole Hargrave Snodgrass & Associates, Inc.

RE: A Survey of 500 Registered Voters in Kansas
Conducted November 14-16, 2006
Margin of error: +/- 4.3%

Cole Hargrave Snodgrass & Associates is pleased to present the summary of findings of a recent study of voters in Kansas. **The survey reveals that a strong majority of registered voters supports allowing additional casinos in Kansas.**

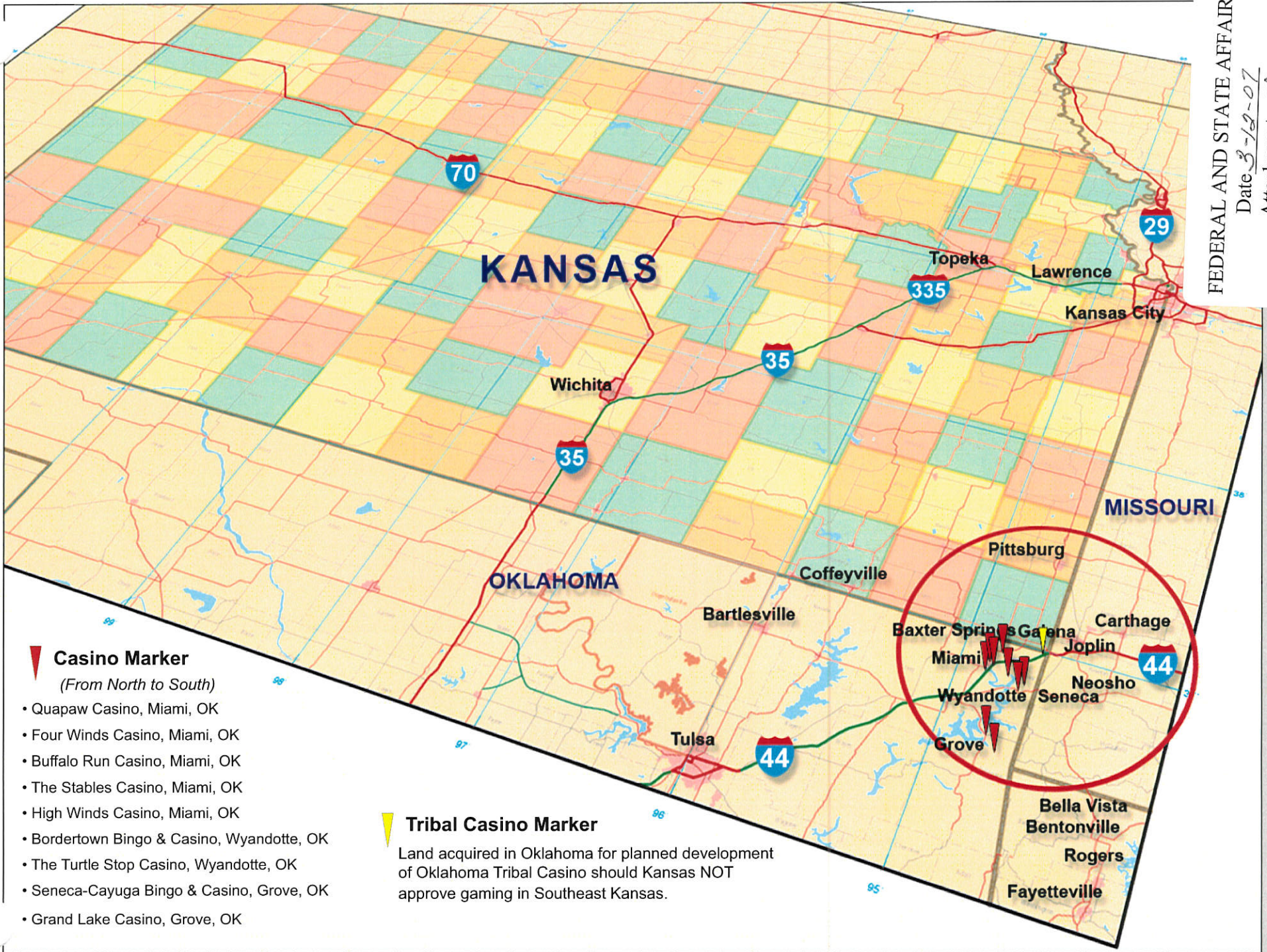
The support for casino expansion among Kansas voters is emboldened by the fact that the state loses millions of dollars a year out of the economy as residents go to Kansas and Oklahoma to spend money in those casinos. When hearing this argument, 56% become supportive of destination style casinos, while only 31% remain opposed.

Kansans also expect their elected leaders to be supportive of casino expansion. Fully 43% say that Governor Sebelius support for destination casinos would enhance their image of the Governor, while only 18% say it would diminish their support. Fully 41% say that if their state legislator supported casino expansion, then that would make them more likely to vote for that legislator, while only 33% say it would make them less likely to vote for that legislator.

While slight differences exist between members of the two major political parties, this is not a partisan issue in the minds of most voters. 41% of the Republicans and 45% of unaffiliated voters join the 56% of registered Democrats who support the measure. It should be noted that less than half of the registered Republicans (46%) oppose expanding casinos. Clearly, any effort by leaders in either political party to turn this into a partisan issue will be met with significant resistance within its own base. In fact, almost 40% of those who indicated that they voted for Jim Barnett in the recent gubernatorial election say they support additional casinos, while Sebelius voters favor such a proposal by twenty points (52% favor vs. 32% oppose).

It should be noted, that the when voters are given additional information, support increases. When particulars about a precise "destination style" casino expansion limited to Wyandotte county and the southeast corner of the state, as well as slot machines at existing animal racing facilities, that would generate 200 million dollars a year in tax revenues, support increases to 52%, while opposition decreases to just a third (33%). Again, this support runs the gamut of Kansas voters, including a plurality of registered Republicans (45% favor vs. 40% oppose) and 61% of registered Democrats. Furthermore, it is supported by both self-described conservatives (50% favor) and liberals (60% favor).

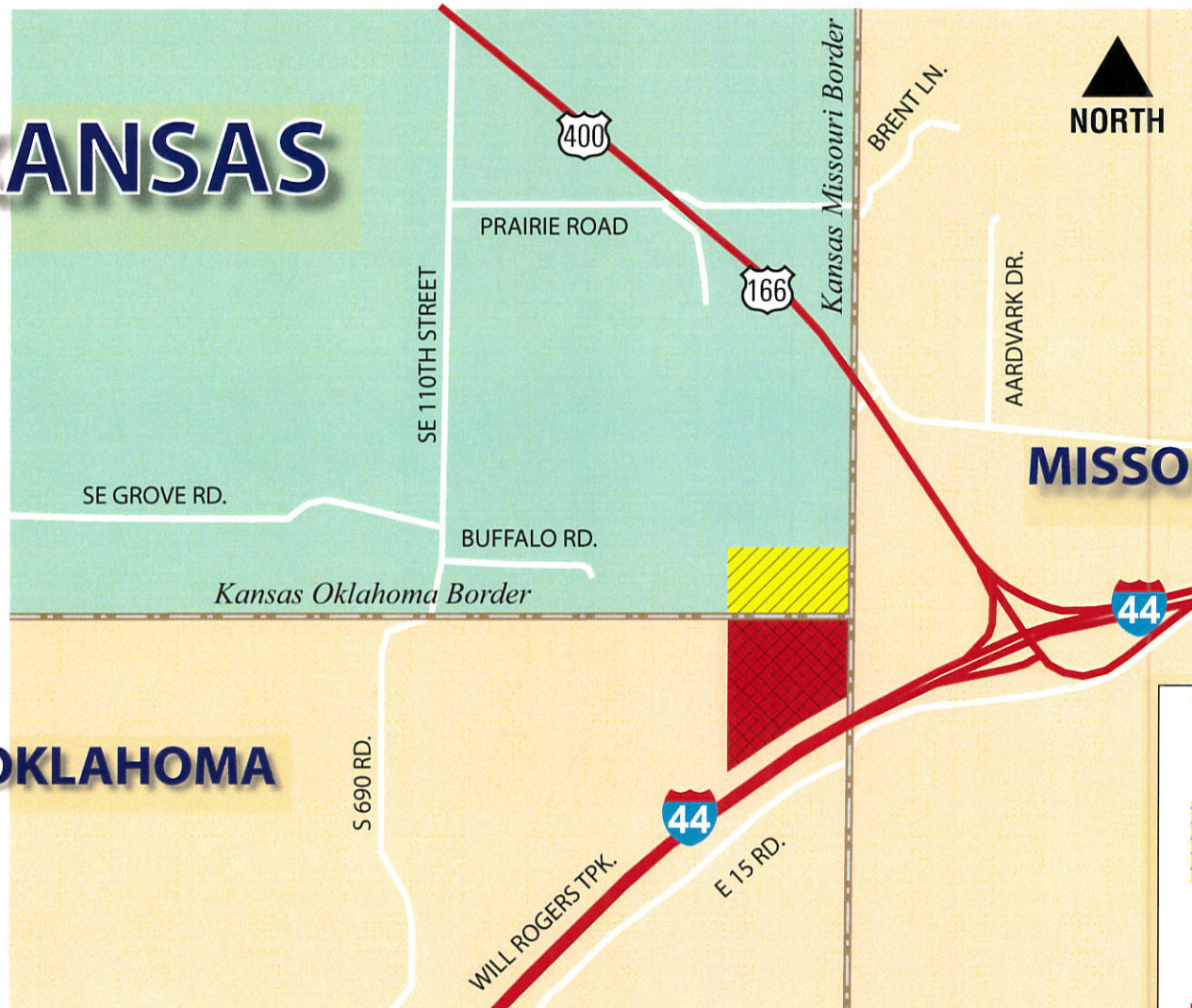
It is clear from our reading of the survey data that Kansans are more than ready for their state to compete with casinos in neighboring states and expand their state's entry into gaming.



KANSAS

OKLAHOMA

MISSOURI



LEGEND



Land acquired in Cherokee County Kansas for parking lot for Oklahoma Tribal Casino should Kansas NOT approve gaming in SE Kansas.



Land acquired in Oklahoma for planned development of Oklahoma Tribal Casino should Kansas NOT approve gaming in SE Kansas.



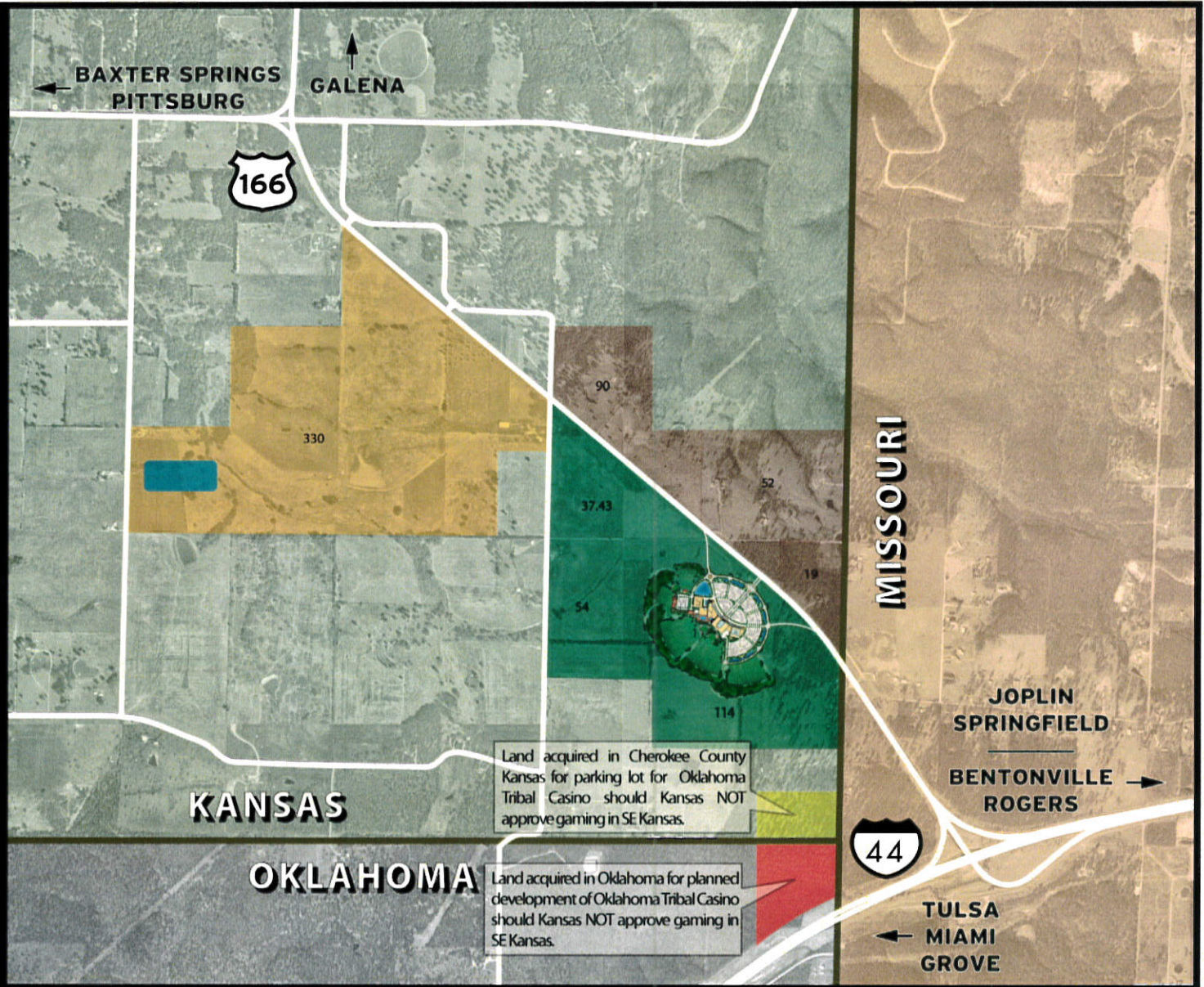
SOUTHEAST KANSAS DESTINATION CASINO



8" WATER LINE FROM
THE CITY OF GALENA

ELECTRICITY:
EMPIRE DISTRICT

WASTE WATER
LAGOON



SOUTHEAST KANSAS GAMING FACILITY IMPACT

STRATEGIC LOCATION

- 85% of customers would come from out of state
- Visible from Interstate 44, traffic counts similar to Interstate 70
- 1.6 million people live within 100 miles (Springfield/Branson, MO; NW Arkansas; Tulsa, OK)
- Gaming prevalent in NE Oklahoma, ten tribal facilities within minutes of Southeast Kansas – the area already has gaming without the benefits.

FACILITY HIGHLIGHTS

- Annual facility revenues of \$240 million – more than any gaming facility in Kansas City
- A true, world-class entertainment destination offering the full range of accommodations, amenities & dining facilities of a luxury hotel, destination resort and casino.
- 75,000 visitors a week, 3.9 million visitors a year
- 1,700 onsite jobs
- 2,000 offsite jobs

ECONOMIC IMPACT

- \$25,000 average employee salary (median per capita income in Cherokee County is \$15,000)
- \$40 million in wages at facility yearly, economic impact of those wages \$80 million
- \$56 million in goods and services purchased yearly by the facility, preferably purchased in the local Kansas market
- Over 1,000 construction jobs creating over \$35 million in construction wages
- Overall annual economic impact of the facility is \$400 million
- The above figures are based on normal outcomes. However, given the fact that gaming has an even greater positive economic impact on economically depressed areas, they could be even higher.



**THE KANSAS CITY KANSAS AREA
CHAMBER OF COMMERCE**

727 Minnesota Avenue
P.O. Box 171337
Kansas City, Kansas 66117
Phone: 913-371-3070
Fax: 913-371-3732
www.kckchamber.com

TO: MEMBERS OF THE HOUSE FEDERAL AND
STATE AFFAIRS COMMITTEE

FROM: CINDY CASH, PRESIDENT/CEO
KANSAS CITY KANSAS CHAMBER OF COMMERCE

RE: SUPPORT FOR HB 2055

DATE: MARCH 12, 2007

The Kansas City Kansas Area Chamber has long supported expanded gaming in Wyandotte County and the state of Kansas. We are in support of HB2055 for the following reasons:

1. The minimum investment level of \$200,000,000 for a facility will assist in assuring the State has a first class facility that will be able to compete well with neighboring gaming facilities.
2. The State will receive up an up front fee from those chosen. This money can be used to fund a variety of needs the state has.
3. A portion of the revenues shall be used in three excellent ways - to assist Kansas needs such as the deferred maintenance at the Universities, providing property tax relief and funding the state employee retirement fund.
4. Counties/cities will receive a portion of the revenues.
5. We believe a real effort has been made to include all parities in this bill.
6. It is high time the state of Kansas stop sending entertainment dollars to neighboring states with gaming and allow our citizens the opportunity to spend their gaming dollars in Kansas.

We urge the committee to pass HB2055 out of committee and support it on the floor. Thank you for your consideration.

FEDERAL AND STATE AFFAIRS

Date 3-12-07

Attachment 15

LIMITED VIDEO LOTTERY PROPOSAL
FOR KANSAS VETERANS ORGANIZATIONS
PRESENTED BY
THE AMERICAN LEGION DEPARTMENT OF KANSAS

WHO: Must be a Class "A" non-profit Private Club licensee as defined by Kansas State Statutes to include The American Legion and the Veterans of Foreign Wars.

WHAT: Limited Video Lottery regulated by the state of Kansas.

WHERE: Restricted to 501(c)(109) Veterans Organizations that are Alcohol Beverage Control licensed Class "A" Private Clubs that are also licensed as a limited video lottery retailer and are further restricted to allow their adult (age 21 or older) members and their member's guests to play video lottery games.

WHEN: During current established Kansas Lottery hours of operation and effective upon publication in the State Statute book.

WHY: To enhance licensed organization's children and youth, community service, senior citizen, and patriotic programs; to provide a source of revenue to supplement Veterans Claims Assistance program; and to provide additional revenue to the State of Kansas General Fund. (See attachment #2.)

LIMITED VIDEO LOTTERY PROPOSAL
FOR KANSAS VETERANS ORGANIZATIONS
ATTACHMENT #1

Video Lottery is simply video versions of lottery games offered by the Kansas Lottery in the past and those which the Lottery may choose to offer in the future.

A Video Lottery Terminal (VLT) consists of a video screen, coin and bill acceptor, or a secure electronic card system to initiate play, a printer to print winner's tickets, a receipt or electronic debit card. All Video Lottery Terminals are to be tied to a central computer at Kansas Lottery Headquarters or such other location as deemed appropriate by the Kansas Lottery whereby activity of each VLT can be electronically monitored twenty-four hours per day. Video Lottery Terminals are generally housed in an arcade type cabinet but may be placed into any configuration cabinet approved by the Kansas Lottery.

Each VLT is computer controlled by the State of Kansas Lottery allowing for full and absolute total daily accountability for all monies deposited into the VLT coin and bill acceptor or electronic card system. The Kansas Lottery central computer system provides security, integrity, control and audit trail accountability necessary to ensure acceptability and trust. The Kansas Lottery central computer system has the capability to turn all VLT on or off as necessary.

Individual VLT players may play from 25 cents to a maximum of \$2.00 per game, and maximum winning amount per game is \$1000.00. Each VLT is required to provide a minimum payout of 87%, or 82% minimum if a VLT is connected to a progressive game.

Each licensed 501(c)(19) Class "A" Private Club facility also licensed as a Video Lottery Retailer is permitted five (5) video lottery terminals per licensed premises. Provided the licensee owns its own building or has a long term lease on a facility and that the licensee has maintained a national charter of its chartering organization of five (5) continuous years.

**LIMITED VIDEO LOTTERY PROPOSAL
FOR KANSAS VETERANS ORGANIZATIONS
ATTACHMENT #2**

STATE OF KANSAS

Regulation	1.00%	
Problem Gambler50%	
Veterans Programs*	8.50%	
State General Fund	<u>38.00%</u>	
Total to State of Kansas	48.00%	
Counties	1.00%	
Cities	<u>1.00%</u>	
<u>Total to Government Entities</u>		50.00%
Vendors**	15.00%	
Licensee	<u>35.00%</u>	
Total to Vendors & Licensees		50.00%

***To be used to supplement the Veterans Claims Assistance program conducted by the permanent State Headquarters organization of the licensees.**

****Vendor can be the State of Kansas or a private licensed vendor to include Class "A" Non-profit Private Club licensee.**

T E S T I M O N Y

By

The Kansas Association of Public Employees
Supporting House Bill 2055

Before the House Committee on Federal and State Affairs
The Honorable Arlen Siegfried, Chairman
Monday, March 12, 2007 – Kansas State House – Topeka, Kansas

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

I am Carl Hill, chief of staff of the Kansas Association of Public Employees. On behalf of our President, Brian R. Thompson, and other representatives of our organization who join me here this afternoon, we appreciate the opportunity to express our support for House Bill 2055. KAPE represents more than 20,000 public employees and retirees across Kansas.

Represented in this room this morning are retired public employees who through their loyalty, ingenuity and initiative laid the foundation of any success we claim today for productivity and efficiency in state government. We should continue to recognize and reward their contributions, accordingly, by approving a meaningful retirement benefits package that is long overdue.

House Bill 2055 provides such a solution.

Our Association has consistently heard from its retiree members that a cost-of-living adjustment is long overdue, and we concur. The costs of even the essentials have escalated, and it no longer should be an issue of making choices or altering of lifestyles for our career public servants who worked hard to earn what they have.

Many arguments can be made – pro or con – about expanded gaming. But the facts are these: It's here, It's staying, It's time for Kansas to get in the game and recoup the revenue that neighboring states siphon off of Kansas gamblers. Then, let's do the right thing by present and future public employee retirees by providing regular cost-of-living adjustments and by reducing or eliminating the unfunded liability.

In summary, KAPE supports House Bill 2055, and urges you to do the same.

May I invite your questions?

###

FEDERAL AND STATE AFFAIRS

Date 3-12-07

Attachment 17

HEIN LAW FIRM, CHARTERED

5845 SW 29th Street, Topeka, KS 66614-2462

Phone: (785) 273-1441

Fax: (785) 273-9243

Ronald R. Hein
Attorney-at-Law
Email: rhein@heinlaw.com

**Testimony re: HB 2055
House Federal and State Affairs Committee
Presented by Ronald R. Hein
on behalf of
Prairie Band Potawatomi Nation
March 12, 2007**

My name is Ron Hein, and I am legislative counsel for Prairie Band Potawatomi Nation (PBPN). The Prairie Band Potawatomi Nation is one of the four Kansas Native American Indian Tribes.

PBPN opposes HB 2055.

Gambling History and the Slippery Slope

We have much to learn from the history of gambling from what has occurred with parimutuel gambling in Kansas, and with gambling in Missouri. Once the state starts down the slippery slope of state owned and operated casino gambling, the state will not be able to stop itself from falling further into expanded gambling as more groups and areas of the state demand to be included. If the intent of this legislation is to insure that everyone in the state is within close proximity to a gambling machine, then this bill fulfills that expansive intent.

A review of the history of parimutuel gambling in Kansas will demonstrate that even this massive gambling bill is probably not the end of efforts to expand gambling in Kansas. Gambling is likely to be a legislative issue every year for the next ten years as proponents seek greater and greater benefits, fewer and fewer restrictions, and more and more money. The legislature should not be deceived that even this massive of a gambling bill will put an end to expanded gambling.

Gambling Expansions Effect upon Economic Development and the State

In estimating revenue benefits to the state of Kansas from gambling, this committee should take into consideration the impact on Lottery revenues, the impact on bingo revenues, the impact on charities running bingo operations, and the impact on tax revenue and economic benefits of other businesses in the state who will lose business to the expansion of gambling. Also, our own studies show that the economy of our Tribes will be seriously impacted by expanded gambling.

Our studies also indicate that of the total market for gambling in Kansas, the majority of such market will consist of revenues now committed to existing Kansas businesses, not new "economic development" generated from out of state sources.

The legislature should not make any recommendation for expanded gambling without determining how much of the revenue generated by expanded gambling will come from dollars already being spent at other businesses within the state, and how much state and local tax revenues will be lost from those businesses.

FEDERAL AND STATE AFFAIRS

Date 3-12-07

Attachment 18

Governor's Gambling Committee Findings

The Governor's Gaming Committee spent a great deal of time researching gambling in the summer of 2004. Among other things, they made some findings as set out below:

“The state should expand gambling in the form of a large destination casino. ...The state should **avoid “convenience gambling,”** in which the gambling facilities would merely redistribute dollars within the region. ...The **best location in Kansas for a destination casino is Wyandotte County...A destination casino should not be established outside of Wyandotte County without convincing and significant evidence of such a venture's viability.”**

The Governor's Gaming Committee went on to recommend: “A large destination casino—either state-owned and operated or Indian—in Wyandotte County, supplemented by slots at the tracks. In addition to this destination casino, the committee feels that the state should maximize its potential for immediate revenue by placing a **limited number of video lottery terminals** at the parimutuel tracks.” [Emphasis supplied.]

The Governor's Gaming Committee also noted the following:

“Because the Kansas Constitution generally prohibits gambling, the **only two legal models currently available** (absent a constitutional amendment) **for a casino are a state-owned and operated casino** (under Article 15, Section 3c of the Kansas Constitution) **and an Indian casino** (under IGRA). ... To pass muster under Article 15, Sections 3 and 3c of the Kansas Constitution, the **gambling operation of a state-owned and operated casino must be controlled and directly managed by a state agency.** ...**This approach, however, would place the State of Kansas in the uncomfortable position of being the first state in the Union to own and operate a full casino. Taking the plunge into full-blown gambling presents the state with significant ethical and economic risks. The state should thus enter this territory with extreme caution.”** [Emphasis applied.]

HB 2055 Is Not the Way To Expand Gambling

1. **Governor's Gaming Committee** HB 2055 does not meet the findings or the recommendations of the Governor's Gaming Committee. The Governor's Gaming Report clearly supported a destination casino in Wyandotte County with limited slots at the tracks.
2. **HB 2055 Promotes Slots Parlors vs. Destination Casinos** HB 2055 places too much focus on slots at the tracks. The 5,000 slots permitted at the parimutuel tracks by this bill will serve as a deterrent to true destination casinos. Destination casinos will have to compete with the heavy numbers of slots that have been authorized for the parimutuel tracks if they are in a non-exclusive zone. This will have the effect of reducing the amount of revenue which will be available for the “destination” casinos and will mean that those casinos will, by necessity, be built smaller. This bill may just jeopardize their status as a destination casino, or may jeopardize their construction.
3. **Economic and Ethical Risks** HB 2055 is dangerous because of the economic and ethical risks that are created by gambling, as noted by the Governor's Gaming Committee, [which found such risks with only **one** state-owned casino, let alone with the plethora of

casinos and slots provided for in this bill]. This bill will allow for up to three casinos and four parimutuel slot parlors. **This bill is gambling everywhere.** This bill virtually assures the state that gambling will be competing with other tax-paying businesses, and that the vast majority of the money “earned” from gambling will be sucked out of the Kansas economy. This will virtually guarantee an adverse economic impact on state revenues from existing businesses in the state.

4. **Exclusivity and the Demise of Dogs and Horses** The question should be asked why this and other gambling bills contain provisions for exclusivity for the parimutuel tracks. This bill permits the tracks to build a separate building for the slots, so slots will be the demise of horse racing, not its savior. All this exclusivity does for the track owner is insure that the two individuals who own the current tracks have an exclusive right to make a lot of additional income at the hands of Kansans who lose their money at gambling.

5. **Lost State Revenue** You have all heard the proponents boast about how much revenue will result from expanded gambling. What you do **not** hear from the gambling proponents is an analysis of **how much revenue will be lost** to the state of Kansas by such widespread expansion of gambling. Previous calculations on bills similar to HB 2055 have indicated that \$727 million, or **three quarters of a billion dollars** would be taken out of the existing economy. Many of these dollars are already being spent with other businesses in the state, whether they be restaurants, community theaters, bowling alleys, movie theaters, car dealerships or any other recreational or non-recreational activities which will lose business. What is the cost to the state in lost tax revenue, lost property taxes, lost employment taxes, lost lottery revenue, lost income taxes of three quarters of a billion dollars being removed from the economy. Only when that question is answered would this legislature be in a position to determine how many casinos and where they should be located in the state of Kansas.

6. **Experience** In previous bills, the Senate unanimously adopted an amendment that any company seeking to operate any of the gambling facilities needs to have at least three years experience in operating Class III gambling. That policy makes good sense because, generally the State of Kansas, when it is entering into contracts, especially multi-million dollar contracts, is able to expect the best and the most talented vendors to respond to requests for proposals on such contracts. It strikes me as odd that such requirement is omitted from HB 2055. The only reason to not include such a provision is to allow unqualified vendors to seek the “privilege” of operating casinos in Kansas pursuant to this bill.

Nor is there a provision requiring that the company operating the Ford County parimutuel track demonstrate that they have had any experience at parimutuel track operations either. It would strike me that if there is going to be a new parimutuel track built in Kansas, which would certainly be contrary to the rest of the nation, the state of Kansas would require that the new track operator have at least three years experience in operating Class III gambling for the purposes of operating slots at the tracks, and at least three years experience in parimutuel track operations prior to getting a license to operate a new parimutuel track.

Constitutionality—State-Owned and Operated

The Kansas Constitution is very clear that any casino must be "state owned and [state] operated". The Governor's gaming committee was also very clear that the state must "own and operate" the casino as required by the Kansas Constitution. The Kansas Constitution clearly states that casino gambling, as a lottery, must be owned and operated by the state of Kansas. This is to be distinguished from parimutuel racing which can be conducted constitutionally by private operators because the language authorizing parimutuel wagering in the Constitution clearly refers to parimutuel being "licensed and regulated by the state", not "owned and operated" by the state.

HB 2055 utilizes a lot of smoke and mirrors to attempt to obfuscate the simple fact that private operators are being contracted, at great sums of money paid by the state, to "operate" the casinos. A few clauses in the bill stating that the lottery shall have "operational control" does not render this bill constitutional.

The oath of office sworn by every legislator on this committee and in the legislature reads as follows:

We, and each of us, do solemnly swear or affirm, that we will support the constitution of the United States and the constitution of the State of Kansas, and faithfully discharge the duties of the office of Representative of the State of Kansas, so help us God.

It would be a violation of your oath of office to vote for an unconstitutional bill such as HB 2055, which clearly establishes privately operated casinos in the state, contrary to the Kansas Constitution.

All of the references to management contracts and to the privilege of winning these contracts makes clear that all the state is doing is licensing and regulating these privately operated casinos. The state is not owning and operating these casinos. There is no reason for someone who is hired by the state to operate a casino to have the "privileges" called for in HB 2055. There is no reason for the state to pay sums in the scores of millions to individuals or corporations for any reason other than that such persons are "operating" the casinos. If the state owns and operates the casino, the state would be realizing all of the revenue which is being deferred to private operators under this bill.

This committee and this legislature have three options available to you if you want to expand gambling in this state: 1) you can establish a truly state owned and operated casino, which would meet constitutional muster, but which the public does not really support; or 2) the Governor can approve off reservation casinos for native American Indian Tribes pursuant to the federal Indian Gaming Regulatory Act [which, would require legislative approval by concurrent resolution and approval of the Bureau of Indian Affairs, at the Department of Interior] or 3) the legislature can approve a constitutional amendment to allow the development of privately operated casinos [which, of course, would have to be voted on and approved by the voters of the state.

Passing a simple bill which provides for privately operated casinos is not an option, and the fact that the legislature has even entertained such an option for 13 years is, in my opinion, simply a matter of the public not be adequately informed by the Governor, the news media, or others, of the requirement that casinos be state owned and operated. Numerous media and numerous public officials have surveyed the public if they support gambling or not, but the media and those pushing gambling for their own selfish

monetary interests have not done anything to educate the public about the Kansas Constitution, or the fact that these types of bills are clearly unconstitutional.

From a policy perspective, if the state is going to initiate state-owned and operated gambling, why doesn't it simply establish state-owned and operated gambling, rather than using the machinations of entering into the elaborate, so-called management contracts which result in significant revenues being paid to private enterprises that is not consistent with the level of services which they are providing to the state of Kansas.

Problem Gambling

It is well accepted that approximately 2-3 % of the public are either problem gamblers or compulsive gamblers. But what is not realized is that problem and compulsive gamblers can account for as much as 63 % of gaming revenue. So although many policy makers think that problem gambling addiction disorders are simply a problem with a limited number of people, policy makers have yet to come to the realization of the scope of the problems associated with gambling addiction. I will not review all of the studies here today, but I urge this committee and the full legislature to further explore the issues with problem gambling, and if that is done, I am confident that the legislature will be less excited about increased gambling in Kansas.

If Gambling Must Be Expanded, How Should the State Expand Gambling

If gambling is to be expanded in Kansas, it should involve a constitutional process, either legislation must be purely state owned and operated casinos, or the legislature must approve a constitutional amendment allowing privately operated casinos. And if a constitutional amendment is to be passed, the legislature should look at the policy issues. Last year, Bill Thompson, an internationally recognized expert of gambling, and a professor at the University of Las Vegas, testified to the Senate Commerce Committee and stated that if the state is going to expand gambling, the state should focus on destination casinos only, because slots at the tracks draw away from the quality of destination casinos. Destination casinos are the appropriate way to attract economic development. Otherwise, all you have is a bunch of slots machines sucking money out of the existing economy of the area and the state. So the legislature should establish a minimum amount to be spent on the destination casino, and although HB 2055 recognizes this valid policy concern, it falls short in that it sets a value at only \$200 million, when it should be at least \$250 million, and it does not require that minimum for all casinos.

Professor Thompson also noted that putting gambling facilities everywhere does not work, and that economic development results from placing the destination casinos in areas which will draw new revenue to the state. So the legislature should ensure that a certain percentage of revenue for any casino to be built, should come from out of state. Otherwise, the casino is simply hurting existing businesses, and not providing any economic development. Gambling should not be omnipresent, nor should it be substituted for or operated to the detriment of other businesses which have made Kansas great.

Lastly, the policy goal of the legislature should be to maximize revenue to the state, both from the taxes paid by the gambling operation, but also by the attraction of new revenue and/or businesses to Kansas. The goal should definitely not be to maximize revenue to a few individuals who privately operate the casinos. And the legislation should be drafted

March 12, 2007
Page 6

by the state, AFTER retaining qualified experts, to benefit the state, not to benefit the clients of the many gambling lobbyists here in the room.

Thank you very much for permitting me to testify, and I will be happy to yield to questions.



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

**Testimony To House Federal and State Affairs Committee
On House Bill 2055**

Glenn O. Thompson
Executive Director, Stand Up For Kansas
March 12, 2007

Introduction

Good afternoon Chairman Siegfried and members of this committee. Thank you for this opportunity to speak at this public hearing. I am speaking 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 oppose House Bill 2055.

People often ask me why our organization opposes the expansion of gambling. My answer is simple: it's the ABCs:

A ddiction

B ankruptcy

C rime and C orruption

D estraction of families and businesses

Kathy Bassett's story is an example of the ABCs. Her written testimony is included in your package of testimonies. I encourage you to read it. Kathy wanted to be here today to present her testimony in person, but she had to work. Three members of Kathy's family were destroyed by gambling addiction. Her 37 year-old brother committed suicide; her son stole money from a Nevada casino, where he was working, and is now serving time in a Nevada prison; and her 72 year-old mother lost all of her savings, so she had to go back to work.

FEDERAL AND STATE AFFAIRS

Date 3-12-07

Attachment 19

Denise Fiehler is another example of the ABCs. Denise lost \$290,000 in one year at Harrah's casino, north of Topeka. She stole money from two employers to pay for her gambling debts and is now labeled as a double felon. Denise's testimony to the Senate Federal and State Affairs Committee in 2001 is exhibit 1.

March Madness

Now let's talk about House Bill 2055.

I am continually amazed at the amount of time the legislature spends, usually about this time each year, on bills to bail out a dying industry with slot machines at the tracks.

In FY 2005, the two tracks had only \$20 million in revenue from live races – about \$13 million at the Woodlands and \$7 million at the Wichita Greyhound Park. Hundreds of industries across Kansas, perhaps thousands, have revenue much larger than this. And, companies in many of these industries go bankrupt each year. But, you don't see them here at the capitol with their hand out. Why is that? Because they realize **it is not the role of government to bail out private companies!**

Furthermore, economists who study the gambling industry say **slot machines have had little impact on halting declining attendance at parimutuel racetracks in other states.**

"The problem is that horseracing 'is not a viable commercial product,' and installing slot machines at tracks doesn't change that." says Bill Thompson, a professor of public administration at the University of Nevada at Las Vegas. "Putting casinos at racetracks does nothing but prop up an ailing industry and line the pockets of track owners."¹

While the casinos make a lot of money, they have done little to stimulate interest in horseracing, "and so far there's little evidence of crossover" between patrons of the slot machines and bettors at the horse track Bill Eadington says.¹ Eadington is director of the Institute for the Study of Gambling and Commercial Gaming at the University of Nevada at Reno.

Slot machines provide an infusion of cash that makes purses more lucrative, and that in turn attracts better horses. "But what it amounts to is a fairly substantial subsidy from slot-machine players" to those with a vested interest in the racing product, Eadington says. "Installing slot machines at racetracks basically create casinos; they do not necessarily save racing."¹

¹ "Experts on Gambling Say Racinos Have Unconvincing Track Record," The Sunday Challenger (of KY), Feb. 20, 2006

“Thompson and Eadington agree that, by legalizing casinos and handing racetracks the right to operate some or all of them, **states sacrifice the additional revenue they could gain** by requiring all would-be sponsors of gambling venues to bid for licenses.”¹

Similar points were made in the 2004 final report of the Ks. Lottery study: ²

“... there is a limit to the gambling demand in Kansas City and in other Kansas markets, even less competed ones such as Wichita. Adding racino facilities to these markets does little to increase market demand; primarily, this option redistributes a slightly larger pie among more facilities.

“Machines at the Woodlands and Wichita Greyhound Park, and to a lesser extent, in Pittsburg, would limit the amount of capital that can responsibly be invested in destination casinos that share these markets.

“Smaller capital investment translates into a less attractive facility with a smaller geographic reach.”

I have many detail concerns on HB 2055. However, bailing out dying, privately-owned racetracks with slot machines is such a bad public policy, that I chose to use my limited time focusing on this overriding issue.

In conclusion, we urge you to oppose HB 2055 and any other bill that would permit the state to own and operate slot machines at racetracks.

² “The Feasibility of Electronic and/or Casino Gaming in Kansas, Final Report,” CCA, Mar. 9, 2004, p. 8

STAND UP FOR KANSAS



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

Casino Alert

A Newsletter for Kansas Legislators

February 13, 2001

“I am a compulsive gambler!”

In response to an invitation from Senator Jim Barnett, Denise Renee Fiehler of Emporia gave her testimony to the Senate Federal and State Affairs Committee last Thursday, Feb. 8, 2001. This was Denise's first time to speak publicly about her gambling addiction, so speaking to the committee took a lot of inner strength and courage. The following excerpts from her poignant testimony are printed with her permission.

We urge you, as a Kansas legislator, to read these excerpts before voting on SB 156 or HB 2183, bills that would permit the state to own and operate casinos at racetracks.

“Hi – my name is Denise Renee Fiehler and I am a compulsive gambler. I would like to speak with you today regarding my gambling addiction, in which I have found that I am not alone.

“I live in Emporia, KS – 80 miles from the closest casino. I am married and have a beautiful daughter who is 14 years old and a freshman in high school. My daughter is a wonderful child who brings home straight A's, is involved in sports and has nice friends. My family is middle-income with both parents working. I am, by all means, kind, compassionate, responsible, considerate, honest and trustworthy -- until I crossed the line and embezzled money from two different businesses for my gambling addiction.

“I am now a felon, a title I never thought I'd have. I had never been in trouble with the law, but now I've been to jail to be booked twice.

“My path to my addiction, to the best of my knowledge, began 7 years ago. Whenever I filled up my car with gas I'd buy \$5.00 in scratch off tickets, and I'd surely not miss the Wednesday or Saturday drawings of the lottery. Dreams, high hopes never happened.

“Then I found slot machines, ever hoping for a higher payoff. While I found slot machines, I still continually played the lottery – still hoping.

“My husband and I would go to Harrah's in Kansas City as a night out once every couple of months. Every now and then we would win by playing quarter slots and come home with an extra \$500 to \$1000. Because of the length of time we were on the slots Harrah's would give us a free hotel room and meals.

“When the Station Casino opened we would also visit and gamble there. The Station Casino would give us free meals at the buffet. This was my husband's and my time together.

“About five years ago my gambling increased to once or twice a month. I would never want to leave to go to the room to sleep. I barely ate – at that time we were still playing \$0.25 slots. During this time I was working a Valu-Line of Kansas as assistant comptroller, a job I loved as well as the people there.

“Once Harrah's, north of Topeka opened approximately four years ago, I was driving up there one to two nights a week. Harrah's staff made me feel so comfortable and at home. I got to know regular gamblers

FEDERAL AND STATE AFFAIRS

For additional information, contact Glenn Thompson at

Date 3-12-01
Attachment 20

the casino hosts and casino managers. I felt close to them and they knew all about me. Harrah's made it very easy for me to get any amount of money I needed to continue to gamble and lose. When I was embezzling money I wrote checks to pay off the cash advances to my Visa card. I wrote checks to businesses, and to myself and deposited them in my personal checking account. The complimentary perks, such as free hotel rooms, free food, valet parking, made me feel very special. I was still playing slots --\$.25, \$.50 and sometime \$1.00.

"It was July of 1997 that I actually crossed the line and started embezzling money from Valu-Line, at first with the intention of paying it back, but eventually just as a means to gamble. Every time I'd pass the middle of the casino I'd look at the high limit machines and say 'no way' but, for some reason, I couldn't stop thinking about them.

"About 2 ½ years ago, I started to drive up there four to five nights a week, making sure that I was home by 3:15 a.m., when my husband left for work. At this point, gambling was all I could think about. It consumed my whole thought process and became my 'priority' in life. The compulsion was uncontrollable. I would drive home from the casino asking God to please help me quit gambling and contemplating suicide, because I felt worthless and all alone. But, by the next day all I could do was to find a way to go back. I know now that they go together hand in hand.

"During the time I worked at Valu-Line of Kansas, they were bought out by Birch Telecom. They sent auditors from Ernst & Young out of New York. I thought for sure I would be caught, but I wasn't. That scare still didn't enable me to stop gambling.

"In January of 1999 I was offered a job as accountant at Camplex Corp. in Emporia. I believed it was God's answer to all my prayers to stop gambling and turn my life back around, even though I did not want to leave Birch and my friends there. I honestly was going to stop gambling, but the gambling got worse. I was completely out of control.

"One day, I decided to play the \$10 machines. I put in \$200 and won \$3600. Before getting paid from the attendant, I moved down two machines and hit \$3600 again. The other gamblers around me were frustrated with me because I was not betting two coins.

"After that, I was hooked on the high limit slots. I found myself losing big. However, I would not leave the casino. I would obtain more money in the hopes of winning back my losses. I played \$5 slots, two coins at a time. I started to play \$10 slots, one or two at a time. I started to play \$25 slots, one or two coins at a time and then I started to play the \$100 machines, just knowing that I was going to win the \$162,000.

"In 1999, I won over \$176,000 of taxable jackpots, but lost that and the money I had embezzled to keep me in action. So, I gave the casino around \$290,000.

"What I have just explained to you has taken me to the depths of hell. For the past 3 ½ years all that I have thought about was there was no way out of this way of life, and I wasn't happy with myself and who I've become, and how I was hurting everyone around me. Although I don't believe now that I would do it, the thought of suicide felt like my only choice. I hated my life of gambling. I didn't know how to ask for help. I'd drive home swearing off gambling, praying to God for help and not knowing what to do and not knowing why this addiction was so powerful. I would say that I wasn't going back, but by noon the next day I was trying to figure out when I could go. I needed my 'fix'.

"I can't count how many times in the past five years I wanted to quit, or to gamble responsibly. I know now that I wasn't gambling for any amount of money. It wouldn't matter how much I'd win – I'd just gamble it back.

"Thank you so much for listening to me. I need to get this story out."

Casinos at Kansas racetracks would cause thousands of citizens, like Denise, to become addicted to gambling. We urge you to oppose SB 156 and HB 2183, bills that would permit state owned and operated casinos at the tracks.

KANSANS FOR ADDICTION PREVENTION

P.O. Box 16774, Wichita, Kansas 67216

Phone 316-681-0122

SUBJECT: Testimony on House Bill 2055

You will hear testimony today that is contradictory. Can we all be telling the truth? No! You will be hearing testimony from organizations whose only interest is the well-being of the people of Kansas. We have no self interest. We have no financial gain. We are here because we care about people. On the other hand, organizations interested in expanding gambling are known around the world as the most rampantly self interested groups possible. Enormous profits go to a very few people.

ADDICTIONS: There are addictive behaviors as well as addictive substances. The Meth addicts brain shows the same pattern when they are high as the gambling addicts brain shows when they are high. Slot machines are the Meth of gambling. They are the most addictive. In a major market in Kansas that has five hundred thousand persons in a fifty mile radius, you can expect to have a one to three percent rate of addiction when you expand gambling. That market is not going to be prepared to treat fifteen thousand addicts, nor are a very large percent of the addicts going to seek treatment. They will just continue with their addiction and destroy the lives of their families. Thus you will have an impact on up to sixty thousand people as the lives of families are destroyed. Suicide, bankruptcy, embezzlement, alcoholism, homelessness, hunger, robbery, drunk driving accidents, and other social costs.

ECONOMICS: "The Grinols study concluded that casino gambling causes \$190 in social costs for every \$34 of economic benefit. In other words, 'An economy that includes casino gambling is **worse off by \$156 per capita** compared to the same economy where casino gambling is prohibited.' " (Wichita Eagle) There has been testimony that a business that provides food or entertainment can expect a twenty percent decrease in business if a casino moves into their town. More business would be forced to close and have their employees lose their jobs than the casino would employ.

These social costs will affect the poor most heavily. The elderly poor are extremely vulnerable to the attraction of gambling. Is it entertainment? Sort of like hitting your thumb with a hammer, but if you are addicted, you will keep on doing it.

LEGISLATIVE RESPONSIBILITY: KAP is most persistent in preventing our children and youth from becoming addicted to anything. We know that parental example is the front line of addiction prevention. But when the State of Kansas gets into the business of gambling that it once banned in the constitution, a cultural example is set.

Garry Winget, President

March 12, 2007

FEDERAL AND STATE AFFAIRS

Date 3-12-07

Attachment 21

TESTIMONY

Before the House Committee on Federal and State Affairs
Supporting House Bill 2055
Monday, March 12, 2007 – State House, Topeka, Kansas

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

I am Harry Brockish of Manhattan, and I am here today to support House Bill 2055. As a retired state employee, I can tell you that we are hurting economically, and I believe that House Bill 2055, with the designation of gaming revenue to provide us with a COLA, is a solution.

A cost-of-living adjustment will help all KPERS's retirees meet their bills. We all know that the costs of virtually everything have gone up – some have skyrocketed – such as medical insurance and gasoline.

The Social Security Administration gives regular cost-of-living adjustments, which is the only way that many of us have been able to survive. I gave many years of faithful service to the State of Kansas before retiring in 1999, and I don't think that a modest 3 percent COLA is too much to ask.

Please support House Bill 2055.

FEDERAL AND STATE AFFAIRS

Date 3-12-07

Attachment 22

TESTIMONY

Before the House Committee on Federal and State Affairs
Supporting House Bill 2055
Monday, March 12, 2007 – State House, Topeka, Kansas

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

I am Herbert Hickman of Pittsburg. I could not attend today's hearing, so I have asked the Kansas Association of Public Employees to enter this testimony on my behalf. I support House Bill 2055.

I retired in 1997 after a 39-year career with the Department of Social and Rehabilitation Services. My KPERS benefit is exactly the same now as it was when I retired, yet the costs of many items have gone up.

For example: The price of a gallon of gasoline cost 1.29 in 1998, and now costs 2.49. This is one example. There are other examples where the costs have escalated to where it is very difficult to stretch the check.

If House Bill 2055 provides a COLA for we KPERS's retirees, then we should have it. I believe, as do many of my friends who spent their careers as state employees, that it is time give us a COLA.

Please support House Bill 2055.

TESTIMONY

Before the House Committee on Federal and State Affairs
Supporting House Bill 2055
Monday, March 12, 2007 – State House, Topeka, Kansas

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

I am Ed Redmon of Topeka. I retired in 1979 from the Topeka Fire Department after 27 years of service.. I support House Bill 2055 because it would grant KPERS's retirees a 3 percent cost-of-living adjustment, which is badly needed. Gaming is the way to fund the COLA without raising taxes.

I wish to tell the committee two ways my costs have gone up. In 1998, my property taxes were \$1,285. This year, my taxes are \$1,900. The premium on my health insurance was \$95 per month in 1997, and is \$302 per month, now.

We need relief. If House Bill 2055 provides a COLA for we KPERS's retirees, then we should have it.

Please support House Bill 2055.

FEDERAL AND STATE AFFAIRS

Date 3-12-07

Attachment 24

TESTIMONY

Before the House Committee on Federal and State Affairs
Supporting House Bill 2055
Monday, March 12, 2007 – State House, Topeka, Kansas

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

I am Dean Kelley of Topeka. I retired in 2002 after 49 years of service to the state. I spent 36 years with KPERS. I support House Bill 2055 because it would grant KPERS's retirees a 3 percent cost-of-living adjustment.

In my years of service with KPERS, I heard from many retirees who every year said they needed an increase in pension benefits just to live. The Fund did give increases from 1963 to 1998 in one form or another. So, the issue of providing a cost of living adjustment is not going to go away.

House Bill 2055 provides funding for a COLA and it addresses funding to reduce the unfunded liability. Regardless of your position on gaming, we need recognize that just like the COLA issue, gaming is not going to go away. Kansans will cross the state line or drive to Tribal casinos to feed their gaming habits – and the state receives nothing for it.

It is time to take serious action to provide a COLA for our long-neglected public retirees; therefore, I urge you to support House Bill 2055.

FEDERAL AND STATE AFFAIRS

Date 3-12-07

Attachment 25

TESTIMONY

Before the House Committee on Federal and State Affairs
Supporting House Bill 2055
Monday, March 12, 2007 – State House, Topeka, Kansas

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

I am Ed Hayes of Overland Park. I retired in 1993 after 33 years of service and 29 years with the Johnson County Sheriff's Department. I support House Bill 2055 because it would grant KPERS's retirees, such as me, a 3 percent cost-of-living adjustment, which is badly needed.

Many of my friends who are drawing pensions are living below the poverty level. Had it not been for the modest COLAs granted by the Social Security Administration, then I am afraid to think how much worse off they would be.

Gaming may not appeal to all of you; however, the funding mechanism in House Bill 2055, which provides for the 3% COLA for KPERS's retirees and addresses the unfunded liability, is the way to go.

I feel that public retirees have been neglected for too long. It is shameful that many of our retirees must live below the poverty level, especially after they provided many years of dedicated service.

It is time to address this problem. Please support House Bill 2055.

FEDERAL AND STATE AFFAIRS

Date 3-12-07

Attachment 26

T E S T I M O N Y

Before the House Committee on Federal and State Affairs
Supporting House Bill 2055
Monday, March 12, 2007 – State House, Topeka, Kansas

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

I am Ernie Claudel of Olathe. I retired in 2002 after 33 years in Kansas education. I support House Bill 2055 because it would grant KPERS's retirees, such as me, a 3 percent cost-of-living adjustment, which is badly needed.

Many of the conferees have spoken to you about how the costs of specific items have gone up through the years. But, let me put a more general statistic before you. I calculated that the buying power of my dollar has decreased by 12.1% since I retired. At that rate, my retirement dollar will dwindle to virtually nothing before my death, if a cost of living adjustment is not forthcoming.

In other words, by 2037 my dollar will get me a quarter without a COLA.

Money generated by House Bill 2055 will guarantee a 3% COLA, which would be fully funded in 5 years. This would then allow the Legislature the opportunity to fund another 3% COLA. If this were to occur, both the COLA and funds to help reduce the unfunded liability would be in place.

It makes sense to me to support House Bill 2055. And, I urge you to do so, now, before I and other retirees lose another dime in spending power.

FEDERAL AND STATE AFFAIRS

Date 3-12-07

Attachment 27

TESTIMONY

Before the House Committee on Federal and State Affairs
Supporting House Bill 2055
Monday, March 12, 2007 – State House, Topeka, Kansas

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

I am Donna Meeker of Wellsville. I began working as a food service worker for the Shawnee Mission School District in 1969, and retired on KPERS's disability in 1992. I began drawing my KPERS retirement on March 1. My husband, Steve, was a firefighter in Lenexa and retired in 1983 on a KPERS disability as Assistant Chief.

Needless to say, our lifestyles have changed since we began drawing KPERS disability payments. For example, we really didn't have the opportunity to work until 65 and put more money back so that we could have a better retirement.

We have always been careful with our money, but it is becoming more difficult to make ends meet with prices for even necessities, such as milk, going up. We do worry about what the future holds for us and for those who will retire in the net few years.

A 3 percent cost-of-living adjustment in our KPERS's retirement and the usual COLA we receive from Social Security would give us some relief.

Neither my husband nor I are gamblers, and we are morally opposed to it. However, we are also morally opposed to our society neglecting the elderly. If House Bill 2055 will get a COLA for KPERS's retirees, then we can support it.

We ask you to support House Bill 2055.

FEDERAL AND STATE AFFAIRS

Date 3-12-07

Attachment 28

TESTIMONY

Before the House Committee on Federal and State Affairs
Supporting House Bill 2055
Monday, March 12, 2007 – State House, Topeka, Kansas

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

I am Ted Roberts of Topeka. I retired in 1988 after many years of service at the Kansas Department of Transportation, which was the State Highway Commission when I first started working there. I support House Bill 2055 because it would grant KPERS's retirees, such as me, a 3 percent cost-of-living adjustment, which is badly needed.

We are aware that retirees are not entitled to a COLA because of the structure of our retirement system; however, over the years KPERS has given COLAs and there is an expectation that every once in awhile COLAs could be given by KPERS. The Social Security Administration gives regular COLAs, and it should be possible for KPERS to do so, also.

The costs of everything have gone up since I retired, and I am not able to enjoy the retirement I was expecting. For instance, the cost of food has gone up 58% from 1990 to 2005, according to Federal Government statistics (Department of Commerce).

I am convinced that the revenue generated by House Bill 2055 and directed to KPERS will give us some much-needed relief.

Please support House Bill 2055.

FEDERAL AND STATE AFFAIRS

Date 3-12-07

Attachment 29

TESTIMONY

Before the House Committee on Federal and State Affairs
Supporting House Bill 2055
Monday, March 12, 2007 – State House, Topeka, Kansas

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

My name is Beverly Peaslee of Topeka. My husband, Bill, and I are retired career employees of the state. I worked for the Department of Administration and the Kansas Department of Transportation for 27 years before I retired in 1998; and my husband worked for 36 years for the Department of Administration before he retired in 1989.

I would like to talk about two issues.

Several weeks ago, my husband and I answered calls on behalf of KAPE from fellow retirees, statewide. All of them were adamant in believing that they have been neglected. They told us that they paid their 4 percent into the system, and should get an occasional COLA like was given in previous years. Some fare better than others, but the check remains the same – and costs keep going up.

The other situation I want to tell you about concerns my 91-year-old mother, who was a state employee for 10 years and receives a \$222 per month check from KPERS. At this amount, she can't even afford the state health insurance. I suspect there are others in a similar situation.

We state retirees gave many years of loyal service and contributed to our retirement with the expectation that we could enjoy ourselves. Sadly, the checks have not kept up with the higher costs of just about everything.

Gaming is available to any Kansan who wants to use it. It is time that we reap some of the revenues that gaming will provide. And, if some of those revenues are specifically given so that KPERS can provide a COLA, then we would favor it.

House Bill 2055 addresses the need we seek. We ask that you support House Bill 2055.

FEDERAL AND STATE AFFAIRS

Date 3-12-07
Attachment 30

TESTIMONY

Before the House Committee on Federal and State Affairs
Supporting House Bill 2055
Monday, March 12, 2007 – State House, Topeka, Kansas

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

I am Joan Buchanan of Mount Vernon, Washington. I am unable to attend the hearing today, but as a KPERS's recipient, I wish to express my support for House Bill 2055, which would grant me and others a cost-of-living adjustment.

I retired in 1989 as an auditor for the Kansas Department of Aging after 21 years of service. It seems that all the recent attention of the Legislature is centered on the active employees, and nothing is considered for the retirees. Yet, our costs have gone up as much, if not more, for us.

I have attached a worksheet, which shows what my gross income was, what my health insurance costs have risen, the federal withholding tax I have paid and my net income. I have done this to give the committee a "numerical picture" of my situation, which is probably typical.

We retirees have been forgotten. However, with the approval of House Bill 2055, there is hope that a COLA will be available to give us some relief.

I urge you to support House Bill 2055.

	Gross	Health Insurance	Federal Withholding	Net
1992	10,134.36	1,045.74	826.00	8,262.62
1993	10,991.16	1,273.59	917.00	8,800.57
1994	11,846.16	1,363.49	1,422.00	9,060.67
1995	11,934.36	1,375.92	1,501.00	9,057.44
1996	11,934.36	1,392.79	1,539.00	9,002.57
1997	11,934.36	1,598.45	1,537.00	8,798.91
1998	12,113.40	1,823.71	1,555.00	8,734.69
1999	12,292.44	1,912.31	1,613.00	8,767.13
2000*	12,804.63	2,383.81	1,688.00	8,732.82
2001	12,292.44	2,533.08	1,835.00	7,924.36
2002	12,292.44	2,610.73	1,614.00	8,067.71
2003	12,292.44	3,492.40	1,599.00	7,201.04
2004	12,292.44	3,815.55	1,584.00	6,892.89
2005	12,292.44	4,077.09	1,573.00	6,642.35
2006	12,292.44	4,482.00	1,561.00	6,249.44

* 13th Check in amount of \$512.19 Gross

Note the shrinking of net income during these years.



Testimony

Unified Government Public Relations
701 N. 7th Street, Room 620
Kansas City, Kansas 66101

Mike Taylor, Public Relations Director
913.573.5565 mtaylor@wycokck.org

Casino Gambling at Casinos and Racetracks

House Bill 2055

Delivered March 12, 2007

House Federal and State Affairs Committee

The Unified Government of Wyandotte County/Kansas City supports development of a destination resort casino in Wyandotte County and slots at the Woodlands Racetrack. In a 1996 referendum, 82% of Kansas City, Kansas voters favored expanded casino gaming. Our elected leaders view construction of a destination casino in Wyandotte County as a mandate from our citizens.

A destination casino resort is much, much more than just a place to gamble. It is expected there would be a major hotel resort along with the casino. The total project could easily hit the \$200-million mark, creating an economic boom for the local and state economy. It's estimated 25-hundred jobs would be created during construction and about 15-hundred permanent casino jobs would be in place when a facility is operating. A first class casino resort will be a great addition to the remarkable development already happening in western Wyandotte County.

The Kansas Speedway, The Woodlands, Cabela's, Nebraska Furniture Mart and the world-class entertainment and shopping attractions at The Legends draw an estimated 10-million visitors a year. A destination casino resort will serve those tourists and increase the number of visitors coming to Kansas to spend their money. A destination casino and hotel resort, along with slot machine gaming at The Woodlands Racetrack will create an economic boom for our local economy and it will create needed new revenues which will benefit citizens across Kansas.

The Kansas Speedway attracts 100,000 people on major race weekends with many of those fans staying in the area at least four days. The Missouri "Riverboat" casinos are filled to capacity on race weekends. Kansas is missing the boat by not capturing those tourist dollars. With a destination casino resort in Wyandotte County, those visitors and their dollars won't need to leave Kansas. Not to mention our own residents who cross the river to enjoy gaming.

Some people don't think gambling, especially more casinos, is a good thing for Kansas. The hard fact is, it's already here. Wyandotte County has four major, privately-owned casinos right across the river in Kansas City, Missouri. The Argosy Casino sits less than one mile from the Kansas City, Kansas city limits. On average, nearly one-million people a month go to the four Kansas City, Missouri casinos. Casino gambling is alive and well in the Kansas City market and northeast Kansas. It's just that Missouri, not Kansas, is getting all of the benefits.

There are communities in Kansas that want nothing to do with expanded gaming. Wyandotte County is a community which welcomes it. For our community, a destination casino is an attractive economic development opportunity. It makes sense in our community. And a destination casino in Wyandotte County will make lots of dollars for the State of Kansas.

FEDERAL AND STATE AFFAIRS

Date 3-12-07

Attachment 32

KANSAS RACING, L.L.C.
9700 Leavenworth Road
Kansas City, KS 66109
913/299-9797 Fax: 913/299-9804

March 9, 2007

Representative Arlen Siegfroid
The Honorable Chairman of the House
Federal & State Affairs Committee
State of Kansas
Topeka, KS 66612-1590

Dear Chairman Siegfroid:

This testimony is submitted on behalf of the Woodlands Horse & Dog Track in Kansas City, Kansas.

The track has been losing money since 1994, and is in an industry that without some form of expanded gaming revenue will continue to generate losses. In just the past seven years from 2000-2006, our losses have been \$7,738,216. In 2006 alone they were \$2,200,000*. These figures can be verified by our audits which are public record at the Kansas Racing and Gaming Commission.

We believe we have shown that we are good long-term corporate citizens of the great State of Kansas. The Grace Company and its affiliates have been doing business continually in Kansas since the early 1970's. The contributions from our tracks have been a benefit to the Kansas economy. We have attached an Exhibit demonstrating our positive impact.¹

We employ approximately 400 people at the Woodlands. Our payroll and benefits in 2005 alone was \$4,145,203. From 2000-2005 we have paid purses for horseman and greyhound winners, property taxes, assessments, pari-mutuel fees to the State of Kansas, and charitable contributions, most if not all of which stays in Kansas, of approximately \$53,208,978. These are the tangibles that you can see on paper, but we also support many Kansas dog and horse breeders, local vendors, the county fair held in Eureka and Anthony, and the Kansas Racing and Gaming Commission staff.

We recognize that expanding gaming and destination resorts are a controversial matter in Kansas, but without some form of gaming at the pari-mutuel tracks we will continue to lose money and it will jeopardize our ability to stay in business. We would very much

¹ Unaudited

appreciate your consideration to propose a bill that would allow the existing pari-mutuel tracks to have a small number of slots, possibly up to 1,500 each, to allow us to continue our operations.

The benefits to Kansas in continuing our operation has been documented by the figures previously cited. By adding 1,500 slot machines generating \$107 million dollars in revenue, the State will collect millions in taxes. Additionally, we will spend at least \$70 million for the casino, machines and equipment which will add construction jobs and real estate taxes. The casino will employ at least 400 full time equivalent positions in addition to our existing employee base, at an average salary of \$25,000.00 per year plus benefits. The total direct and indirect revenue from new jobs, taxes and spending is millions of dollars per year.

It will also contribute millions of dollars per year to the horse and dog industry for increased purses.

The conclusion is that not only will you save over 400 jobs, but create new ones and bring Kansas gaming revenue back to Kansas.

We would very much like to continue the tradition of pari-mutuel racing in Kansas, but we now need your assistance more than ever.

Very truly yours,

KANSAS RACING, LLC
d/b/a as The Woodlands

Larry Seckington
Secretary

LS/pjm

WOODLANDS

A1 ANCE

<u>Year</u>	<u>Greyhounds</u>	<u>Horses</u>	<u>Total</u>
1999	278,779	26,472	305,251
2000	270,490	26,339	296,829
2001	232,311	26,549	258,860
2002	262,430	37,029	299,459
2003	286,024	42,294	328,318
2004	316,486	44,405	360,891
2005	316,486	64,781	351,267
2006	308,492	35,773	344,265

HANDLE

<u>Year</u>	<u>Greyhounds</u>	<u>Horses</u>	<u>Simulcast</u>	<u>Total</u>
1999	\$18,137,794	\$1,301,648	\$46,099,331	\$65,538,773
2000	\$17,032,089	\$1,279,216	\$51,408,799	\$69,720,104
2001	\$12,477,138	\$1,266,964	\$49,357,343	\$63,101,445
2002	\$15,878,006	\$2,900,174	\$54,262,485	\$73,040,665
2003	\$19,976,627	\$5,909,516	\$48,926,993	\$74,813,136
2004	\$19,667,905	\$5,915,065	\$45,440,794	\$71,023,764
2005	\$17,559,318	\$6,656,330	\$42,296,630	\$66,512,277
2006	\$15,580,218	\$7,982,061	\$40,930,631	\$64,492,910

PURSES

<u>Year</u>	<u>Greyhounds</u>	<u>Horses</u>	<u>Total</u>
1999	\$1,681,229	\$1,941,768	\$3,622,997
2000	\$1,814,985	\$2,069,411	\$3,884,396
2001	\$1,430,495	\$2,105,484	\$3,535,979
2002	\$1,573,693	\$2,520,685	\$3,894,378
2003	\$1,490,437	\$2,182,401	\$3,672,838
2004	\$1,312,573	\$2,090,653	\$3,403,226
2005	\$1,901,491	\$1,640,550	\$3,542,041
2006	\$1,849,619	\$1,786,168	\$3,635,787

TAXES

<u>Year</u>	<u>General</u>	<u>Special Assessment</u>	<u>Personal Property</u>	<u>Parimutuel</u>	<u>Spec Assmt Bankruptcy</u>	<u>Total</u>
1999	\$261,824	\$356,582	\$41,000	\$2,284,380	\$239,146	\$3,182,932
2000	\$267,573	\$339,255	\$39,000	\$2,499,957	\$239,146	\$3,384,931
2001	\$297,647	\$297,647	\$37,717	\$2,201,103	\$239,146	\$3,073,931
2002	\$302,534	\$304,411	\$35,960	\$2,414,849	\$239,146	\$3,296,902
2003	\$273,470	\$286,831	\$31,529	\$2,199,482	\$239,146	\$3,030,460
2004	\$286,751	\$269,125	\$48,086	\$2,134,974	\$230,350	\$2,969,287
2005	\$284,959	\$0	\$47,807	\$1,908,308	\$70,919	\$2,311,993
2006	\$271,519	\$0	\$29,290	\$1,859,398	\$0	\$2,160,207

CHARITABLE CONTRIBUTIONS

<u>Year</u>	<u>Amount</u>
1999	\$37,005
2000	\$51,211
2001	\$76,837
2002	\$134,950
2003	\$75,879
2004	\$75,502
2005	\$77,401
2006	\$77,908

PAYROLL

<u>Year</u>	<u># Of Employees</u>	<u>Payroll</u>	<u>Benefits</u>	<u>Total</u>
1999	540	\$3,431,835	\$40,000	\$3,471,835
2000	656	\$3,847,208	\$56,430	\$3,903,638
2001	494	\$3,866,559	\$78,632	\$3,945,191
2002	544	\$3,878,092	\$100,694	\$3,978,786
2003	513	\$4,045,470	\$94,989	\$4,140,459
2004	421	\$4,059,236	\$115,809	\$4,175,045
2005	420	\$4,016,951	\$128,252	\$4,145,203
2006	431	\$3,611,332	\$108,339	\$3,719,671

LOSS PER AUDITED F/S

<u>Year</u>	<u>Total</u>
1999	\$
2000	\$619,037
2001	\$1,284,711
2002	\$1,097,505
2003	\$1,414,051
2004	\$1,722,443
2005	\$1,600,469
2006	N/A

OFFICERS

David O. Wiebers, M.D.

Chair of the Board

Anita W. Coupe, Esq.
Vice Chair of the Board

Walter J. Stewart, Esq.
Board Treasurer

Wayne Pacelle
President & CEO

G. Thomas Waite III
Treasurer & CFO

Roger A. Kindler, Esq.
General Counsel & CLO

Janet D. Frake
Secretary

Andrew N. Rowan, Ph.D.
*Executive Vice President
Operations*

Michael Markarian
*Executive Vice President
External Affairs*

STAFF VICE PRESIDENTS

Patricia A. Forkan
*Senior Vice President
External Affairs International*

John W. Grandy, Ph.D.
*Senior Vice President
Wildlife & Habitat Protection*

Heidi Prescott
*Senior Vice President
Campaigns*

Katherine B. Liscomb
*Administration &
Animal Care Centers*

Nicholas Braden
Communications

Richard M. Clugston, Ph.D.
Higher Education

Jonathan R. Lovvorn, Esq.
Animal Protection Litigation

Miyun Park
Farm Animal Welfare

Nancy Perry, Esq.
Government Affairs

Steve Putnam
*Business Development &
Corporate Relations*

Robert G. Roop, Ph.D., SPHR
*Human Resources &
Education Programs*

Melissa Seide Rubin, Esq.
Field & Disaster Services

John M. Snyder
Companion Animals

Martin L. Stephens, Ph.D.
Animal Research Issues

DIRECTORS

Leslie Lee Alexander, Esq.

Patricia Mares Asip

Peter A. Bender

Barbara S. Brack

Anita W. Coupe, Esq.

Neil B. Fang, Esq., C.P.A.

Judi Friedman

David John Jhirad, Ph.D.

Jennifer Leaning, M.D., S.M.H.

Kathleen M. Linehan, Esq.

William F. Mancuso

Mary I. Max

Patrick L. McDonnell

Gil Michaels

Judy Ney

Judy J. Peil

Marian G. Probst

Joshua S. Reichert, Ph.D.

Jeffery O. Rose

James D. Ross, Esq.

Marilyn G. Seyler

Walter J. Stewart, Esq.

John E. Taft

Andrew Weinstein

Persia White

David O. Wiebers, M.D.

**Testimony on House Bill 2055
House Federal and State Affairs Committee
March 12, 2007**

**The Humane Society of the United States,
By Mary Prewitt, Kansas State Program Manager**

Chairperson Siegfried and Members of the Committee: Thank you for allowing me to present this testimony on House Bill 2055 on behalf of the Kansas members and constituents of the Humane Society of the United States (the HSUS). The HSUS is a mainstream animal protection organization backed by 10 million Americans, including nearly 50,000 Kansans.

The HSUS opposes House Bill 2055 because it would provide for slot machines at horse and dog racing tracks. The theory behind this proposal is that it would "prop up" this declining industry and thereby increase revenues for the State. This theory is of questionable validity. Gambling revenues from the tracks have been steadily declining since the 1990's and are expected to drop by nearly 45 percent this year alone. Revenues cannot even support the state bureaucracy necessary to regulate the industry.

The advent of slots at the tracks is not guaranteed to reverse this trend. In Rhode Island, for example, according to the Association of Racing Commissioners International, betting on dog racing dropped by 76% over nine years, despite the fact that slots were allowed at Lincoln Park for eight of those years.

Dog racing is an inherently cruel practice. The industry results in the over breeding of many thousands of dogs just to produce a few "winners." The lives of racing dogs are valued only for their economic potential. Animals that are raced often suffer broken legs, cardiac arrest, spinal cord paralysis and even broken necks as a result. When not on the track, they are confined to cramped cages with little or no companionship of humans or other animals.

No other industry receives the support or subsidization that the racing industry would receive through this bill. It should not be the business of the State to support private industry, especially not an industry that results in the cruel treatment of animals.

The HSUS respectfully requests the committee not support House Bill 2055.

FEDERAL AND STATE AFFAIRS

Date 3-12-07

Attachment 34

**Testimony to House Federal & State Affairs Committee
on HB 2055**

By Kathy Bassett
3817 SW Dukeries
Topeka, Kansas 66610
(785)478-9737

March 12, 2007

I am a citizen of Topeka, Kansas, writing in opposition to HB 2055. I adamantly oppose the expansion of legalized gambling in our state. It is with the heaviest of hearts that I write this testimony, but it is important that you understand what gambling has done to my own Kansas family. It has all but destroyed us, and in fact, did literally destroy one of us.

My husband and I have two sons, 29 year old Jason and 20 year old Blake, a KU student. Jason has three young sons.

My brother, David, and I were raised on a farm in St. John, Kansas. David attended college, earning four degrees, the final being his Masters of Social Work. He married an attorney, and they resided in Topeka. David worked for nine years as a full time mental health counselor, treating acute and chronic mental illnesses. Along with his other duties, he manned both suicide and gambling hotlines.

We have always been a close and loving family. David and I loved each other deeply and unconditionally, and David, Jason, and Blake were like brothers.

Jason, my son, began working at Harrah's, close to Topeka, when they first opened, dealing Blackjack. He and his wife moved to Nevada, where he continued to work for Harrah's and eventually became a pit boss supervisor.

My 73 year old mother, who also lives in Topeka, had begun to gamble and so did David, my brother. Their gambling turned into full-blown addictions.

Jason began gambling as well. Soon, he began embezzling money from his employer to cover his gambling debts. In May of 2003, he was arrested and charged with theft.

Later, in the fall of that year, my mother had to file for bankruptcy because of her gambling addiction.

At the same time, my brother's life began to spin out of control. He tried with all of his might and training to stop gambling. He even had himself permanently banned for life from Harrah's.

On December 29th, 2003, my 37 year old brother was in such a state of despair, just 24 hours after his voluntary banning from the casino, that he drove himself to our fathers grave site in St. John, put his shotgun in his mouth and committed suicide.

David's suicide note spoke to the "panic, shame, and despair" that he felt every day. Even with the full support of a family of professionals (a mother and sister who are nurses, a physician brother-in-law, and an attorney wife), and his training, he could not break his addiction.

Five months later I stood behind my son, Jason, in Nevada and listened to him receive the maximum sentence of 4 to 10 years incarceration on one felony count of theft.

Jason will serve his sentence and come home. But when we lost David, we lost something immeasurably precious to us, because of a Kansas casino.

Before May 2003, I had no idea what a destructive force gambling is. I assumed gambling was a harmless "hobby" for those who chose to take part in it. Since this nightmare occurred, I have done hours of research. It is well documented that following the opening of gaming facilities, communities and families experience increased substance abuse, marital strain, bankruptcies, crime, and attempted and successful suicides.

My family alone was dealt the most painful of these: death of a brother, incarceration of a son, and financial ruin of a mother, all in the space of one year's time.

Please do not pass this bill. No one should have to suffer the heartbreaking tragedies our family has endured as the direct result of a Kansas casino.