

STAND UP FOR KANSAS

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

Testimony to House Federal and State Affairs Committee

on HB 2168

March 22, 2013

Good morning Chairman Siegfried and members of this committee. I am Dave Heinemann. I appreciate this opportunity to speak 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 HB 2168 for the following reasons.**

1. SEDGWICK COUNTY HAS ALREADY VOTED

After a lengthy debate in Sedgwick County in the summer of 2007, expanded gambling lost at the polls, **fair and square**. A record turnout of over one hundred thousand voters cast their ballots. Proponents and opponents expended over \$1.5 million on advertising and promotions.

Kansas has a long history of declaring finality in elections. On special ballot initiatives proponents get only one referendum. If they win or lose, the decision of voters is final. Let's respect the will of the voters.

Proponents argue that the original ballot language was confusing and voters didn't understand the question. This is a classic argument made often by the losing side of an initiative. The fact is, the gambling industry wrote Senate Bill 66, including the ballot language in the bill. To argue now that the average voter was confused is a smoke screen and an insult to Sedgwick County voters. A majority of voters voted against expanded gambling, plain and simple.

With the utmost deference to the members of this committee I ask that you respect the wishes of the voters in Sedgwick County and not allow another vote on this same issue. There was broad community-wide opposition to the ballot initiatives. Opponents included thousands of grassroots citizens, the religious community, the small-business industry, the local aviation industry, the local Chamber, local school board members, including the USD 259 superintendent, the Fine Arts Community and the local newspaper, The Wichita Eagle. Nothing has changed, except gamblers now have easy access to a state-owned casino in Mulvane, just a few hundred feet south of the Sedgwick County line.

2. SLOT MACHINES AT RACE TRACKS WOULD CREATE LITTLE ECONOMIC DEVELOPMENT FOR THE STATE OR LOCAL COMMUNITY

Racetrack slot-machine casinos (so-called racinos) obtain most revenue from gamblers living within the local area. Minimum cost facilities with few frills and amenities provide little incentive for attracting tourists. (See attached article, "The lifeblood of Parx casino in Bucks is low-roller locals.")

Slot machines at racetracks would increase tourism very little, while reducing the revenue and quality of state-owned destination casinos. A study commissioned by the Kansas Lottery estimated 91% of the revenue from slot machines at The Woodlands would come from gamblers living within 25 miles of the track.¹

3. THIS BILL OPENS THE DOOR FOR SIMULCAST-BETTING PARLORS IN EVERY COUNTY

Present statutes limit the number of days a county fair association can conduct simulcast racing and wagering to no more than twice the number of days the association conducts live racing. Section 14 of HB 2168 eliminates the requirement for live racing. So, each of the 66 county fair associations in the state could operate simulcast-betting parlors, year-round, without a track, without live racing.

Thank you for your consideration.

¹ "The Feasibility of Electronic and/or Casino Gaming in Kansas, Final Report," Prepared by Sebastian Sinclair, President, Christiansen Capital Advisors, LLC and Behavior Research Center, for The Kansa Lottery, March 9, 2004, p. 61

The lifeblood of Parx casino in Bucks is low-roller locals

By Monica Yant Kinney
Philadelphia Inquirer Columnist
Sun, Mar. 7, 2010

Las Vegas uses volcanoes, Emeril Lagasse, and spa treatments to make losing seem fun. Philadelphia's casino "experience" is shaping up to be neither entertaining nor exotic, defined instead by hot dogs, cigarettes, and convenience.

For proof, head to Bensalem, where Parx - formerly called Philadelphia Park Racetrack - made \$400 million last year. Impressive for a not-spot plopped among strip malls.

Inside the smoke-filled slots box, much of what casino bosses took for granted has changed. Gone are the days of wooing "whales" and dissing grannies in fanny packs. Parx president Dave Jonas says his revenue comes almost exclusively from local low rollers.

"We underestimated significantly how many trips our customers were going to make," Jonas said at last month's Pennsylvania Gaming Congress in Valley Forge.

"When I was in Atlantic City, to have 12 to 15 trips out of customers, they were VIPs," Jonas said. At Parx, "it's not uncommon for us to have 150 to 200 trips."

Moderator Michael Pollock, a well-regarded casino analyst, paused to digest the statistic. "You said 150 to 200 times a year," he repeated. "That's three to four times a week, essentially."

"Yes," Jonas confirmed, most of his players fit that profile. In fact, because Parx players tend to live within 20 miles of Street Road, many go even more frequently. "We have customers," Jonas boasted, "who give us \$25, \$30 five times a week."

A new way of life

Besides work and the gym, there's no place I go three to five times a week. And, beyond Target and Wegmans, nowhere I drop as much cash.

Jonas should be proud of Parx's haul. But if frequency can portend problem gambling, should he - and we - worry about thousands of people who've made playing a way of daily life? It didn't take much to lure them, beyond proximity, free valet parking, and \$50 comps. "If you live 15 minutes away, you really don't need a room," Jonas told the casino group. His customers "come in, grab a hot dog or maybe a chicken sandwich," gamble three hours, "then go home and sleep in their own bed."

This I had to see to believe. For expert observation, I took C.P. Mirarchi and Kevin Gregan on a field trip last week to Parx.

Mirarchi is a lawyer-turned-counselor (www.thegamblingcounselor.com) who treats fellow gambling addicts through Genesis Counseling Centers, based in Collingswood. Gregan is Mirarchi's boss, a veteran clinician who diagnosed his own addictive potential after "losing the baby's diaper money" in a poker game.

Neither man had been in a casino in years. Both did double takes at the full house we found on a Wednesday at 11 a.m.

Chasing the dream

"You can see that people who may not be doing anything are out doing something that breathes life into them," Gregan noted. "But at the same time, they're watching their money disappear. How many of these people can truly afford to be participating in this activity?"

If most Parx players go three times a week, what to make of the guy who tells me he's there twice a day? Regularity won't automatically breed depravity, but surely everyone knows the house always wins.

"Everybody in there is one pull away from a different lifestyle, one pull away from the dream," Mirarchi said from experience. "The hardest thing for any addict to do is give up that dream."

We tried to get lunch, but Parx's steak house serves only dinner, and the Foodies counter steps away from the casino floor didn't entice.

"This," Mirarchi marveled, "is the McDonald's of gambling." Fast food offers familiarity close to home. So does Parx.

