

KCKChamber

March 2, 2016

The Honorable Mark Hutton, Chairman
House Committee on Commerce, Labor & Economic Development
Room 346-South

Chairman Hutton and members of the Committee,

Thank you for allowing us the opportunity to present information regarding the economic issues surrounding proposals to change the state's gaming laws in an effort to prop up pari-mutuel racing in Kansas. This is a complex matter and one that is of great importance to the health and well being of our community.

The many businesses who comprise the membership of the Kansas City Kansas Chamber of Commerce oppose the changes being sought by Mr. Phil Ruffin, who owns the long vacant pari-mutuel facilities in our community, in Sedgwick County and in Crawford County. He is seeking these tax concessions without consideration as to the impact it would have on facilities like Hollywood Casino who have invested hundreds of millions of dollars in our community.

Our business community, along with many other civic leaders, has long worked to develop a robust, growing tax base in Wyandotte County. Step by step, we have worked to increase the economic health of our community, engaging a broad, diverse citizenry in our efforts.

Clearly, the catalyst for this economic renewal was development of the Village West project and the Kansas Speedway. That, in turn, led to the selection in 2010 of Hollywood Casino by the state's lottery facility review board.

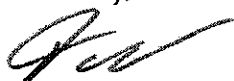
Destination casinos like Hollywood had a competitive bid process and a minimum \$225 million capital investment. They were also required to pay a \$25 million license or privilege fee.

The proposal that is before you to lower the tax rates from those contained in the 2007 Expanded Lottery Act do NOT have a competitive bid process and only a minor increase in capital investment (\$1.5 million). This tax break would come at the expense of Hollywood casino, our local government, the state, our schools and the many other community organizations they support.

The simple truth is that the Woodlands could have been reopened at any time. The 2007 gaming law, which the thoroughbred industry not only supported but helped to craft, clearly permitted this. To now change the rules and give Mr. Ruffin a substantial tax break would only be a setback to our community and risk the jobs and investment that are benefiting our community each day.

The bottom line is we do NOT wish to risk all the benefits that our community has received. Thank you for your careful consideration of these implications as your study and analysis of this matter unfolds. And we respectfully urge you to reject the proposals before you which we believe would not serve our community nor the state well.

Sincerely,



Daniel Silva, Executive Director

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