



**House Committee on Federal and State Affairs
In Opposition to HB 2173
Presented by Eric Stafford, Vice President of Government Affairs**

Monday, February 6, 2017

Mister Chairman and members of the committee, my name is Eric Stafford, Vice President of Government Affairs for the Kansas Chamber. The Kansas Chamber appreciates the opportunity to testify in opposition to House Bill 2173 which modifies the expanded lottery act.

The Kansas Chamber has historically not been engaged on the policy decision of whether or not to expand gaming in our state. Similarly, we were not heavily involved in the effort to build the Sunflower plant in Holcomb. However, when policy decisions are being made which threaten the certainty of the regulatory climate in Kansas we do take a position to protect and maintain a positive climate, as we did with the Sunflower electric facility.

With the passage of SB 66 in 2007, casino developers had to compete for the four destination casino licenses, plus the northeast and south central zones were required to make a capital investment of at least \$250 million (which includes a \$25 million privilege fee to the state). Pari-mutuel facilities were awarded slot machines and could begin gaming operations immediately. This was a delicate compromise negotiated and supported by all interested parties at the time.

The compromise supported in 2007 called for the state to receive 40% of slot revenue for racetrack facilities while the state received 22% of slot revenue from casinos. This discrepancy in rates was due to the required capital investment of casinos which we previously mentioned. Recent legislative efforts seek to lower the tax rate for racetracks to match that granted to casinos.

Our involvement in this issue stems from our mission to make Kansas the best place in which to do business. Having a climate which promotes regulatory certainty is vital in that effort. The rules were agreed to and established by all interested parties in 2007, and now some parties are asking for the rules to be changed for their facilities which under current law could open and operate today.

We appreciate the opportunity to provide testimony against HB 2173 and I am happy to answer questions at the appropriate time.



The Kansas Chamber, with headquarters in Topeka, is the leading statewide pro-business advocacy group moving Kansas towards becoming the best state in America to do business. The Chamber represents small, medium and large employers all across Kansas.