



# Testimony

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## House Bill 2173 Kansas Expanded Lottery Act Changes

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House Federal and State Affairs Committee

The Unified Government of Wyandotte County/Kansas City opposes House Bill 2173.

The Unified Government Commission has adopted the following policy regarding the possible re-opening of The Woodlands:

*The Unified Government supports legislative measures which assist The Woodlands in reopening as a gaming facility so long as The Woodlands provides benefits to the local community which are on par with the benefits provided by the Hollywood Casino at Kansas Speedway.*

*The Hollywood Casino is a significant tourism and economic community partner with Wyandotte County. The Unified Government opposes any changes in State gaming laws which put the Hollywood Casino at a competitive disadvantage with Kansas City area casinos and gaming facilities.*

House Bill 2173 does not provide Wyandotte County with benefits anywhere close to those provided by the Hollywood Casino. What this bill does is change the fundamental financial landscape of the gaming law putting the Hollywood Casino and our local community at a disadvantage.

The competition for a casino in Wyandotte County was intense. Seven companies competed for the license and had to receive an endorsement from the local government. Hollywood Casino was required to make a \$250-million minimum investment and negotiate a development agreement with the Unified Government. Under House Bill 2173, The Woodlands is not required to make a minimum investment or negotiate a development agreement with the Unified Government.

First, under State law, the casino has to pay 3% of revenues to the Unified Government. The Woodlands would only pay 2%. But the development agreement between the Unified Government and Hollywood Casino provides many more benefits above what is required by State law:

- Additional 1% of gaming revenues to the Unified Government for a total of 4%.
- \$500,000 to non-host school districts
- \$500,000 charitable grants
- \$100,000 parks and recreation programs
- \$25,000 Convention and Visitors Bureau
- \$10,000 Chambers of Commerce
- Shuttle service around the Village West area

The Hollywood Casino at Kansas Speedway brings much more than gambling revenues. It brought a second Sprint Cup NASCAR race to Kansas every year which generates hundreds of millions of dollars in economic benefit to the area. And the Casino has created hundreds of good jobs for Wyandotte County residents and others in the region.

Reopening the gaming law also opens the door to other possible changes which could be detrimental to the Unified Government and other local governments and to development agreements negotiated between the Unified Government and Hollywood Casino.

*The Unified Government supports legislative measures which assist The Woodlands in reopening as a gaming facility so long as The Woodlands provides benefits to the local community which are on par with the benefits provided by the Hollywood Casino at Kansas Speedway.*

We have offered and requested that the owner of The Woodlands meet with us to begin discussions about negotiating a development agreement. Those requests have not been honored. In fact, we were told its unlikely the owner would be willing make such a commitment or put anything in writing.

Given all of this, The Unified Government must oppose HB 2173.