

Testimony to the
House Committee on Health and Human Services
House Bill 2622
Paul T. Davis on behalf of Boot Hill Casino & Resort
February 7, 2024

Chairwoman Landwehr, Vice Chairman Eplee, Ranking Member Ruiz, and fellow members of the Committee, thank you for allowing my testimony in opposition to House Bill 2622.

I am Paul Davis, appearing on behalf of the Boot Hill Casino & Resort, which is located in Dodge City, Kansas. We are one of Dodge City's largest full-time employers with 250 employees.

In 2007, the Kansas Legislature passed the Kansas Expanded Lottery Act. This act allows for the state of Kansas to own and operate a "destination casino resort" in four gaming zones – northeast, southeast, south central and southwest – within the state of Kansas. The reason we have only four gaming zones is because after an extensive study was commissioned it was determined that the market for gaming in Kansas could only support four casinos. However, after the Kansas Expanded Lottery Act (KELA) was enacted numerous tribal casinos have started operating in Kansas and just across the border in Oklahoma. As most of you are probably aware, the State of Kansas has no regulatory authority over tribal casinos.

Under the Kansas Expanded Lottery Act, Boot Hill Casino and Resort was selected to become the "destination casino resort" in the southwest gaming zone and to provide revenue for the state and local governments. Butler National Corporation's subsidiary, BHCMC, LLC, is the lottery gaming facility manager.

After opening in December 2009, Boot Hill Casino & Resort swiftly rose to prominence as a major attraction for travelers visiting the historic area of southwest Kansas. Butler National Corporation invested more than \$75 million in the facility, which is now a popular tourist destination. The Boot Hill Casino & Resort welcomes approximately 480,000 visitors annually, bringing millions of dollars in economic benefits to the state of Kansas.

The outstanding Team Members are Boot Hill Casino & Resort's core. At Boot Hill Casino & Resort, there are currently more than 250 Team Members working at the facility. Over seven million visitors from all 50 states, and even 14 other nations, have been greeted by these Team Members that reside in over 13 cities and counties in Western Kansas.

Boot Hill Casino & Resort revenue has generated more than \$129 million dollars for the State of Kansas, and more than \$17.5 million for local governments.

Responding to a question on January 17, 2024, before the House Committee on Federal and State Affairs, Kansas Lottery Director Stephen Durrell stated that prohibiting smoking at a state-owned lottery gaming establishment would have several negative consequences. These would include: smoking would continue at tribal casinos located within Kansas' borders; state anti-smoking laws would not apply to tribal casinos; studies show that a state smoking ban would

result in significant revenue losses for the State; and smokers would relocate from state-owned lottery gaming facilities to tribal casinos or casinos located in border states.

Many casino patrons want to be able to smoke in casino facilities. Boot Hill, like many other casinos, has invested significant dollars in smoking filtration systems. Our experience is that non-smokers believe the filtration systems significantly improves their experience at the casino. Furthermore, we have not heard very many complaints from patrons or employees about this issue.

Fair competition, level playing fields, and the lack of advantages are critical in the economic world. Tribal casinos and casinos in our border states would have a major competitive advantage over state-owned lottery gaming facilities if House Bill No. 2622 were to become law. The State would lose out on revenue transfers from state-owned lottery gaming facilities as a result.

I appreciate you allowing me to submit this testimony, and I kindly ask that committee take no action on House Bill 2622.