

## MINUTES OF THE HOUSE FEDERAL AND STATE AFFAIRS COMMITTEE

The meeting was called to order by Chairman Arlen Siegfroid at 1:30 P.M. on March 12, 2007 in Room 313-S of the Capitol.

All members were present.

## Committee staff present:

Mary Torrence, Office of the Revisor of Statutes  
Kathie Sparks, Kansas Legislative Research Department  
Dennis Hodgins, Kansas Legislative Research Department  
Mike Heim, Revisor of Statutes Office  
Carol Doel, Committee Assistant

## Conferees:

Representative Wetta  
Pam Davis, Kansas Thoroughbred Association  
Janis Hellard, Chairman of Sumner county EcoDevo  
Shelley Hansel, Chamber of Commerce  
Jeff Thorpe, Boot Hill Gaming, Dodge City  
Steve Ward, president Kansas Greyhound Association  
Doug Lawrence, Ruffin Companies  
Lise Streit, Executive Director Kansas Horse Commission  
Andy Sanchez, Kansas AFL-CIO  
Jeff Rutland, Kansas Quarterhorse Association  
Betty Melson, Eureka Downs  
Ross Vogel, Kansans for Economic Growth  
Cindy Cash, Kansas Chamber of Commerce  
Chuck Yunker, American Legion  
Ron Hein, Prairie Band Potawatomi Nation  
Glenn Thompson, Stand Up For Kansas  
Gary Winget, Kansans for Addiction Prevention  
Carl Hill, Chief of Staff, Kansas Association of Public Employees

## Others attending:

See attached list

Chairman Siegfroid opened the floor for bill introductions.

Representative Brunk requested a bill that eliminates the waiting week on unemployment insurance benefits. The Chair moved the bill with a second by Representative Ruiz. With no objections, the bill will be accepted.

Representative Olson requested a bill putting the Board of Public Utilities under the KCC. The Chair moved the bill with a second by Representative Peterson. With no objections, the bill will be accepted.

There were no other bill introductions.

Chairman Siegfroid opened the floor for hearing on **HB 2055** - Casino gambling at casinos and racetracks in Wyandotte, Crawford and Cherokee counties and at racetracks in Sedgwick and Ford counties.

Representative Peterson introduced the people in the gallery who were in attendance to support gaming. The groups included the Kansas Greyhound Association, Kansas Thoroughbred Association, Kansas Quarter Horse Association, Kansas Horse Council, The Woodlands Race Track, The Greyhound Park, Eureka Downs, Anthony Downs, Cherokee County, Crawford County, Sumner County, Wyandotte County, Ford County, and various economic interests like the Unified Retiree Groups.

Representative Vince Wetta addressed the Committee in support of **HB 2055** and enlightened them on his district which includes Anthony Downs. His district is mostly farm land. They have three prevalent industries in Kansas, farming, oil and aircraft manufacturing. Representative Wetta stated that Sumner County wants a destination casino. The Representative introduced Janis Hellard and Shelley Hansel to

## CONTINUATION SHEET

MINUTES OF THE House Federal and State Affairs Committee at 1:30 P.M. on March 12, 2007 in Room 313-S of the Capitol.

further advise the Committee on their position on gaming. ([Attachment 1](#))

Janis Hellard, Sumner County Economic Development Commission, approached the Committee to present testimony in support of **HB 2055**. Ms. Hellard related that they are asking for legislation to allow Sumner county to be included in a South Central Kansas Zone and be allowed to have a destination resort casino. Ms. Hellard stated that Sumner county needs new job opportunities that offer good wages and benefits. They are primarily agricultural and aviation based in employment and need to diversify their employment base. Increased tourism is another reason they want a destination resort casino. "A destination resort casino would have economic impacts on their county, region and the State that most people don't even consider", said Mrs. Hellard. ([Attachment 2](#))

Shelley Hansel, Executive Director, Wellington Area Chamber of Commerce gave testimony supporting **HB 2055**. Ms. Hansel gave the opinion that Sumner County is the perfect location for a destination resort casino. The State needs money. Expanded gaming provides money. Sumner County needs the economic development and are more than willing to work with the State and neighboring counties to make it happen. ([Attachment 3](#))

Ms. Hellard and Ms. Hansel provided material for the Committee to review regarding information on gambling. ([Attachment 4](#))

Jeff Thorpe, Board of Directors - Boot Hill Museum, Inc. and President, Boot Hill Gaming, Inc. approached the Committee to voice his support of **HB 2055**. Mr. Thorpe reported the opinion that the passage of the bill would 1) maximize tax revenue to the State of Kansas, 2) enhance entertainment opportunities in Kansas communities, 3) enhance economic opportunities in Kansas communities, and 4) provide a sustainable, realistic business model. ([Attachment 5](#))

The Greyhound Association was represented by their President, Steve Ward who spoke in favor of the passage of **HB 2055**. Mr. Ward gave the opinion that in a world where gaming has become part of the economy in nearly every state, it is a mistake to limit the ability of any gaming facility to compete for customers. Leaving our Kansas racetracks out of any expanded gaming proposal would devastate an important industry that reaches far beyond the racetrack facilities. ([Attachment 6](#))

Jeff Rutland of The Kansas Quarter Horse Racing Association asked the Committee for their support of **HB 2055**. Mr. Rutland gave the opinion that to allow horse racing to disappear from Kansas would be a tragedy to our economy and to our heritage. ([Attachment 7](#))

Testimony supporting **HB 2055** was given on behalf of the Ruffin Companies by Doug Lawrence. Mr. Lawrence said that **HB 2055** is the result of several years of effort in the Kansas Senate to craft legislation, which allows the state to responsibly begin the process of recapturing millions of dollars in revenue lost to our neighboring state through gaming. He further stated that we have the costs associated with gaming, but we don't have the benefits. ([Attachment 8](#)) Mr. Lawrence also submitted "Key Provisions of **HB 2055**" for review by the Committee. ([Attachment 9](#))

Lise Streit, Executive Director Kansas Horse Council stated that they represent all the horse owners in the State of Kansas. The Council is in favor of **HB 2055** as it would help the horse industry. There are 116 horse oriented clubs in the State of Kansas and about 115 4-H clubs. They are in the process of trying to develop a multi-million dollar equi-center which would bring people from all over the United States to compete. They are building horse communities strictly designed for horse development. There are 93 listed stables in the State of Kansas. The Council has a \$5 million impact on Sedgwick County from horse events. In conclusion, Ms. Streit stated that the Kansas Horse Council thoroughly supports **HB 2055**. (No Written Testimony)

Andy Sanchez, Executive Secretary-Treasurer, Kansas AFL-CIO stated that **HB 2055** means job opportunities for the members of the AFL-CIO. Mr. Sanchez gave the opinion that **HB 2055** should pass on its own merits of generating revenues to do good. ([Attachment 10](#))

Betty Melson was raised in the Flint Hills of Butler County, and for the past 21 years has lived in Greenwood

## CONTINUATION SHEET

MINUTES OF THE House Federal and State Affairs Committee at 1:30 P.M. on March 12, 2007 in Room 313-S of the Capitol.

County. Ms. Melson stated that she is very passionate when it comes to her community and horse racing in Kansas. Eureka Downs is a huge part of the heritage of their community. Ms. Melson requested that the Committee support **HB 2055** not only for the racing industry, but also for the historical heritage of Eureka Downs and to keep a Kansas family together in Kansas. ([Attachment 11](#))

Ross Vogel from Kansans For Economic Growth, presented the summary of findings of a recent study of voters in Kansas. The survey reveals that a strong majority of registered voters supports allowing additional casinos in Kansas. They support **HB 2055**. ([Attachment 12](#)) Mr. Vogel also submitted casino marker maps for review ([Attachment 13](#)) as well as *The Southeast Kansas Gaming Facility Impact* ([Attachment 14](#))

The Kansas City Kansas Area Chamber of Commerce President/CEO, Cindy Cash stated that the Chamber has long supported expanded gaming in Wyandotte County and the State of Kansas. In her testimony, Ms. Cash, listed six reasons that they support the passage of **HB 2055**. ([Attachment 15](#))

Chuck Yunker presented testimony for the American Legion Department of Kansas supporting the passage of **HB 2055**. The American Legion presented a limited video lottery proposal. ([Attachment 16](#))

Carl Hill, Chief of Staff of the Kansas Association of Public Employees addressed the Committee to express their support of **HB 2055**. Mr. Hill opined that it is time for Kansas to get in the game and recoup the revenue that neighboring states siphon from Kansas gamblers. ([Attachment 17](#))

There were no other proponents wishing to address the bill and the Chair recognized Ron Hein, legislative counsel for the Prairie Band Potawatomi Nation, as an opponent to **HB 2055**. Mr. Hein spoke on the gambling history and the effect gambling expansions would have on economic development in the State of Kansas. He related that **HB 2055** is not the way to expand gambling. Mr. Hein also spoke on problem gambling. ([Attachment 18](#))

Stand Up For Kansas was represented by their Executive Director, Glenn Thompson. They oppose **HB 2055**. Mr. Thompson stated that his answer for why he opposes the expansion of gambling is as simple as ABC. **A**ddiction, **B**ankruptcy, **C**rime and **C**orruption **D**estruction of families and businesses. ([Attachment 19](#)) Also included for Committee review was an article entitled "*I am a compulsive gambler!*" ([Attachment 20](#))

Gary Winget provided testimony opposing **HB 2055** on behalf of the Kansans For Addiction Prevention. Mr. Winget presented KAP views on addictive behaviors, economics and the legislative responsibility in the business of gambling. ([Attachment 21](#))

Written testimony supporting **HB 2055** was provided by Harry Brockish ([Attachment 22](#)), Herbert Hickman ([Attachment 23](#)), Ed Redmon ([Attachment 24](#)), Dean Kelley ([Attachment 25](#)), Ed Hayes ([Attachment 26](#)), Ernie Claudel ([Attachment 27](#)), Donna Meeker ([Attachment 28](#)), Ted Roberts ([Attachment 29](#)), Beverly Peaslee ([Attachment 30](#)), Joan Buchanan ([Attachment 31](#)), Unified Government Public Relations, Kansas City ([Attachment 32](#)), Kansas Racing, L.L.C. ([Attachment 33](#))

Written testimony in opposition to **HB 2055** was submitted by The Humane Society ([Attachment 34](#)), and Kathy Bassett ([Attachment 35](#))

With no other person wishing to address the bill, Chairman Siegfried closed the hearing on **HB 2055**.

With no other business before the committee, the Chairman adjourned the meeting.

CONTINUATION SHEET

MINUTES OF THE House Federal and State Affairs Committee at 1:30 P.M. on March 12, 2007 in Room 313-S of the Capitol.