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HOUSE FEDERAL AND STATE AFFAIRS COMMITTEE

January 30, 2019

HB 2032

**An Act concerning gaming; relating to the Kansas expanded lottery act;
operation and management of sports gaming.**

Opposition Testimony

Good morning Chairman Barker and Members of the House Federal and State Affairs Committee.

By way of introduction, my name is Whitney Damron, and I appear before you today to provide testimony on behalf of Kansas Entertainment, LLC in opposition to HB 2032 limiting sports wagering to racetrack gaming facilities only.

By way of information, Kansas Entertainment, LLC is a joint venture partnership of Penn Hollywood Kansas, Inc., and Kansas Speedway Development Corporation, and was selected by the State of Kansas in 2009 to develop a destination casino for the Northeast Kansas Gaming Zone which operates under the name Hollywood Casino at Kansas Speedway.

As you are aware and the reason this subject is before the Kansas Legislature this year, in May of 2018, the United States Supreme Court overturned the federal ban on sports wagering, ruling that the Professional and Amateur Sports Protection Act of 1992 (PASPA) was unconstitutional. At that time, Nevada was the only state that offered single-game betting on college and professional sports. Now each state has the opportunity to set their own policy to legalize and regulate sports wagering. Already, the states of Delaware, Mississippi, New Jersey, Pennsylvania, Rhode Island and West Virginia have passed legislation and are currently taking wagers on sporting events. Penn National Gaming operates in four of these jurisdictions and offers a sportsbook at 11 of our 40 casino properties throughout the U.S. In addition, Penn National will offer mobile wagering in several of these states in the near future.

Our comments on HB 2032 will be brief, but we will offer more expansive comments on the subject of sports wagering on the second bill scheduled for an informational hearing today, HB 2068.

Kansas Entertainment is not opposed to the Legislature considering sports wagering legislation and we anticipate joining with the other three state-owned and operated casinos in support of sports wagering legislation later this session. However, we do object to HB 2032 that suggests sports wagering in Kansas shall only be managed and operated by “one or more racetrack gaming facility managers.”

The elephant in the room here in regard to HB 2032 is the fact there are no racetrack gaming facilities operating in Kansas. Without going into an extensive review of the passage and implementation of the Kansas Expanded Lottery Act in 2007, it must be recognized that the pari-mutuel track owners who originally supported that legislation in the form of SB 66 have consistently failed to live up to promises made to the State of Kansas and the horse and dog racing industry by refusing to open and operate their facilities under the law they supported. Since that time, in each and every year with the possible exception of the current year, track owners and now only Phil Ruffin as the purported owner of all three closed major pari-mutuel tracks in Kansas, have sought special legislation to increase their revenue share from slots-at-tracks at the expense of the State. The Legislature has refused to go along with Mr. Ruffin’s request and this legislation makes little sense, either, given track owners history of broken promises among other policy reasons.

Kansas Entertainment does not believe this bill should be given serious consideration, as virtually any and all regulatory structure is left to the Kansas Lottery with no guidance and direction from the Legislature, even if it were appropriate to only allow sports wagering at pari-mutuel tracks. Accordingly, we are opposed to HB 2032 as proposed.

On behalf of Kansas Entertainment, LLC, I would be pleased to stand for questions.

On behalf of Kansas Entertainment, LLC

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