



**TESTIMONY to the
HOUSE COMMITTEE ON FEDERAL AND STATE AFFAIRS**
Clark D. Stewart BHCMC, LLC February 17-18, 2021
IN OPPOSITION TO HOUSE BILL 2199

Dear Chairman Barker and Honorable Members of the Committee:

The Boot Hill Casino & Resort strongly supports sports betting in Kansas, provided any such bill: 1. Is good for Kansans; 2. Makes economic sense and competes with illegal “black market” sports betting; 3. Provides adequate Kansas Racing & Gaming Commission (KRGC) oversight and controls to prevent illegal/wrongful activity; and 4. Respects the contractual obligations and intent of the Kansas Expanded Lottery Act (KELA).

No new sports betting law in Kansas is better than a bad sports betting law. The following considerations impact that determination.

For any proposed sports wagering legislation, an assessment should be made whether the activity is financially beneficial. There must be a benefit to the citizens of Kansas, not just to the equipment vendors or major sports organizations. While sports betting does not experience significant margins, the existing casino managers have a proven record of success in maintaining the integrity of lottery facility games, enforcing prohibitions against gaming by underage persons, promoting responsible gaming and delivering economic development and revenues for our State.

Moreover, there can be significant risks. As written, direct Kansas Lottery sports betting is proposed in House Bill 2199. KELA established four “channels” for gaming in Kansas and through an in-depth and exhaustive vetting process the legislatively created Lottery Gaming Facility Review Board selected the best gaming managers for the four gaming facilities. Sports betting should be conducted by the Kansas Lottery exclusively through the four lottery gaming facilities and any future parimutuel racetracks, whether in person or mobile. This proposition is reinforced by the strict regulatory environment in which the managers must perform under KRGC oversight to prevent illegal activity, even ancillary to the gaming.

House Bill 2199 discards our existing KELA framework and gives the Kansas Lottery virtually unlimited authority to offer sports betting anywhere in Kansas. There is also concern as to ambiguities, some creating legal constitutional implications for gaming ownership and operation. The provisions provide sports leagues with governmental powers, including the right to bring causes of action with no requirement to remedy the damaged patron for wrongful conduct. HB 2199 would unduly place the financial liability and risk of sports betting squarely on the shoulders of the State and its taxpayers.

A fair, reasonable, and appropriately regulated approach to sports betting in Kansas must involve the lottery gaming facility managers.

Thank you for your consideration of this testimony.