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**Testimony re: SB 319**  
**Senate Federal and State Affairs Committee**  
**Presented by Ronald R. Hein**  
**on behalf of**  
**Prairie Band Potawatomi Nation**  
**February 1, 2012**

Mr. Chairman, Members of the Committee:

My name is Ron Hein, and I am legislative counsel for Prairie Band Potawatomi Nation. The Prairie Band Potawatomi Nation is one of the four Kansas Native American Indian Tribes.

PBPN opposes SB 319. The PBPN has traditionally opposed expansion of state gaming, in light of the fact that the Federal Indian Gaming Regulatory Act was enacted in order to provide economic development opportunities to native American Indian Nations. When the Governor refused to negotiate with the Kansas federally recognized native American Indian Nations to provide expanded gaming in Wyandotte County and Southeast Kansas, and instead opted for the State to conduct such gaming, the net effect was to deprive the Native American Tribes of the economic development granted by the federal government. Our Tribe has been a stellar example of what can occur when Tribes were given the opportunity to engage in Tribal gaming. The Tribal unemployment rate dropped from as high as 78% to as low as approximately 7%. The Tribe established a Head Start program, developed a law enforcement center, EMS services, a fire department, housing, an elderly program, and numerous other programs beneficial not only to the Tribal members, but to the community and citizens of Northeast Kansas.

The passage of the Kansas Expanded Gaming Act (KELA) (also known as SB 66) by the legislature threatens the progress made in northeast Kansas, and represents a backward step not only in the progress of Native Americans, but in the relationship between the state and the Tribal communities.

When expanded gaming legislation has been considered over the years, I have had an opportunity to testify on numerous occasions and I have cited what has occurred with gambling historically, and I made some predictions for the future. Many of those predictions are now proving to be accurate.

Ten years ago I predicted that if gambling expansion passed, it would be a slippery-slope, and that the gambling promoters would always need MORE FROM the state and be willing to give LESS TO the state. As state government becomes more reliant on gambling revenue, gambling tends to become more and more expansive.

SB 319 proposes reducing the investment for the southeast Kansas casino to \$50 million, and cuts the privilege fee to \$5.5 million.

SB 319 requests less responsibility for gaming interests, a larger share of the revenue for track operators, and a smaller share of revenue for the state for slots at the tracks.

SB 319 also demands a "do over" on the gaming election held in Wichita. When the gambling interests wrote SB 66, adopted as KELA, they didn't allow for re-votes when they thought they would win, and they were afraid that the anti-gambling folks would keep wanting another vote to take away the casinos. Once they "won" the vote, they didn't want to have another election. But what happened? They LOST. So now, the gambling promoters want to change the rules. Now, they want a re-vote. The gambling promoters WROTE the law, they lobbied for this law (bad as it is), and they should now have to live with this law. Their request for a re-vote is repulsive at best, an insult to the electorate of Sedgwick County, and a total disregard for any notion of fairness to the State of Kansas. They should be embarrassed to request such legislation.

The gambling industry wrote KELA, and I regard it as ingenuous of them to seek a change in the rules at this time for THEIR benefit.

The Legislature should also realize that **IF** the gambling expansion bill that was passed is going to be successful in creating economic development for the state, the way to accomplish that is be encouraging destination casinos that will attract tourists from out of state. SB 319 will promote slot parlors, which will harm the state in two ways: 1) slots parlors do NOT attract out of state tourists, and so the operations will merely hurt the local economy by pulling dollars out that would otherwise go to other local businesses; and 2) these slots parlors will compete with the Kansas City destination casino, and will lessen that casino's ability to spend money which will promote additional out of state business.

If there is no tourism, then gambling is simply sucking money out of the Kansas economy, and is stealing from one tax-paying business to put it in the hands of the gambling interests. The gambling interests may pay taxes, too, but there will be no new net income to the state.

Former Governor Kathleen Sebelius commissioned a study of expanded gambling in Kansas. The Governor's Gaming Committee spent a great deal of time researching gambling in the summer of 2004, and made findings as set out following:

**"The state should expand gaming in the form of a large destination casino. ...The state should avoid "convenience gaming," in which the gaming facilities would merely redistribute dollars within the region. ...The best location in Kansas for a destination casino is Wyandotte County...A destination casino should not be established outside of Wyandotte County without convincing and significant evidence of such a venture's viability."**

SB 319 may be good for the people who own the parimutuel tracks, and for those gambling operators who want to build a local convenience (non-destination casino), but SB 319 will be bad for the destination gambling facilities in the state, and it will be bad for Kansas.

On behalf of the PBPN, I respectfully request that this committee vote No on SB 319.

Thank you very much for permitting me to testify, and I will be happy to yield to questions.

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**Testimony re: SB 241**  
**Senate Federal and State Affairs Committee**  
**Presented by Ronald R. Hein**  
**on behalf of**  
**Prairie Band Potawatomi Nation**  
**February 1, 2012**

Mr. Chairman, Members of the Committee:

My name is Ron Hein, and I am legislative counsel for Prairie Band Potawatomi Nation. The Prairie Band Potawatomi Nation is one of the four Kansas Native American Indian Tribes.

PBPN opposes SB 241. The PBPN has traditionally opposed expansion of state gaming, in light of the fact that the Federal Indian Gaming Regulatory Act was enacted in order to provide economic development opportunities to native American Indian Nations. When the Governor refused to negotiate with the Kansas federally recognized native American Indian Nations to provide expanded gaming in Wyandotte County and Southeast Kansas, and instead opted for the State to conduct such gaming, the net effect was to deprive the Native American Tribes of the economic development granted by the federal government. Our Tribe has been a stellar example of what can occur when Tribes were given the opportunity to engage in Tribal gaming. The Tribal unemployment rate dropped from as high as 78% to as low as approximately 7%. The Tribe established a Head Start program, developed a law enforcement center, EMS services, a fire department, housing, an elderly program, and numerous other programs beneficial not only to the Tribal members, but to the community and citizens of Northeast Kansas.

The passage of the Kansas Expanded Gaming Act (KELA) (also known as SB 66) by the legislature threatens the progress made in northeast Kansas, and represents a backward step not only in the progress of Native Americans, but in the relationship between the state and the Tribal communities.

When expanded gaming legislation has been considered over the years, I have had an opportunity to testify on numerous occasions and I have cited what has occurred with gambling historically, and I made some predictions for the future. Many of those predictions are now proving to be accurate.

Ten years ago I predicted that if gambling expansion passed, it would be a slippery-slope, and that the gambling promoters would always need MORE FROM the state and be willing to give LESS TO the state. As state government becomes more reliant on gambling revenue, gambling tends to become more and more expansive.

SB 241 proposes reducing the investment for the southeast Kansas casino to \$50 million, and cuts the privilege fee to \$5.5 million.

SB 241 requests less responsibility for gaming interests, a larger share of the revenue for track operators, and a smaller share of revenue for the state for slots at the tracks..

The gambling industry wrote KELA, and I regard it as ingenuous at best to seek a change in the rules at this time for THEIR benefit.

The Legislature should also realize that **IF** the gambling expansion bill that was passed is going to be successful in creating economic development for the state, the way to accomplish that is by encouraging destination casinos that will attract tourists from out of state. SB 241 will promote slot parlors, which will harm the state in two ways: 1) slots parlors do NOT attract out of state tourists, and so the operations will merely hurt the local economy by pulling dollars out that would otherwise go to other local businesses; and 2) these slots parlors will compete with the Kansas City destination casino, and will lessen that casino's ability to spend money which will promote additional out of state business.

If there is no tourism, then gambling is simply sucking money out of the Kansas economy, and is stealing from one tax-paying business to put it in the hands of the gambling interests. The gambling interests may pay taxes, too, but there will be no new net income to the state.

Former Governor Kathleen Sebelius commissioned a study of expanded gambling in Kansas. The Governor's Gaming Committee spent a great deal of time researching gambling in the summer of 2004, and made findings as set out following:

**"The state should expand gaming in the form of a large destination casino. ...The state should avoid "convenience gaming," in which the gaming facilities would merely redistribute dollars within the region. ...The best location in Kansas for a destination casino is Wyandotte County...A destination casino should not be established outside of Wyandotte County without convincing and significant evidence of such a venture's viability."**

SB 241 may be good for the people who own the parimutuel tracks, and for those gambling operators who want to build a local convenience (non-destination casino), but SB 241 will be bad for the destination gambling facilities in the state, and it will be bad for Kansas.

On behalf of the PBPN, I respectfully request that this committee vote No on SB 241.

Thank you very much for permitting me to testify, and I will be happy to yield to questions.

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**Testimony re: SB 237**  
**Senate Federal and State Affairs Committee**  
**Presented by Ronald R. Hein**  
**on behalf of**  
**Prairie Band Potawatomi Nation**  
**February 1, 2012**

Mr. Chairman, Members of the Committee:

My name is Ron Hein, and I am legislative counsel for Prairie Band Potawatomi Nation. The Prairie Band Potawatomi Nation is one of the four Kansas Native American Indian Tribes.

PBPN opposes SB 237. The PBPN has traditionally opposed expansion of state gaming, in light of the fact that the Federal Indian Gaming Regulatory Act was enacted in order to provide economic development opportunities to native American Indian Nations. When the Governor refused to negotiate with the Kansas federally recognized native American Indian Nations to provide expanded gaming in Wyandotte County and Southeast Kansas, and instead opted for the State to conduct such gaming, the net effect was to deprive the Native American Tribes of the economic development granted by the federal government. Our Tribe has been a stellar example of what can occur when Tribes were given the opportunity to engage in Tribal gaming. The Tribal unemployment rate dropped from as high as 78% to as low as approximately 7%. The Tribe established a Head Start program, developed a law enforcement center, EMS services, a fire department, housing, an elderly program, and numerous other programs beneficial not only to the Tribal members, but to the community and citizens of Northeast Kansas.

The passage of the Kansas Expanded Gaming Act (KELA) (also known as SB 66) by the legislature threatens the progress made in northeast Kansas, and represents a backward step not only in the progress of Native Americans, but in the relationship between the state and the Tribal communities.

When expanded gaming legislation has been considered over the years, I have had an opportunity to testify on numerous occasions and I have cited what has occurred with gambling historically, and I made some predictions for the future. Many of those predictions are now proving to be accurate.

Ten years ago I predicted that if gambling expansion passed, it would be a slippery-slope, and that the gambling promoters would always need MORE FROM the state and be willing to give LESS TO the state. As state government becomes more reliant on gambling revenue, gambling tends to become more and more expansive.

SB 237 proposes reducing the investment for the southeast Kansas casino to \$100 million, and also cuts the privilege fee in half.

SB 237 requests less responsibility for gaming interests, a larger share of the revenue for track operators, and a smaller share of revenue for the state for slots at the tracks..

The gambling industry wrote KELA, and I regard it as ingenuous at best to seek a change in the rules at this time for THEIR benefit.

The Legislature should also realize that **IF** the gambling expansion bill that was passed is going to be successful in creating economic development for the state, the way to accomplish that is be encouraging destination casinos that will attract tourists from out of state. SB 237 will promote slot parlors, which will harm the state in two ways: 1) slots parlors do NOT attract out of state tourists, and so the operations will merely hurt the local economy by pulling dollars out that would otherwise go to other local businesses; and, 2) these slots parlors will compete with the Kansas City destination casino, and will lessen that casino's ability to spend money which will promote additional out of state business.

If there is no tourism, then gambling is simply sucking money out of the Kansas economy, and is stealing from one tax-paying business to put it in the hands of the gambling interests. The gambling interests may pay taxes, too, but there will be no new net income to the state.

Former Governor Kathleen Sebelius commissioned a study of expanded gambling in Kansas. The Governor's Gaming Committee spent a great deal of time researching gambling in the summer of 2004, and made findings as set out following:

**"The state should expand gaming in the form of a large destination casino....The state should avoid "convenience gaming," in which the gaming facilities would merely redistribute dollars within the region. ...The best location in Kansas for a destination casino is Wyandotte County...A destination casino should not be established outside of Wyandotte County without convincing and significant evidence of such a venture's viability."**

SB 237 may be good for the people who own the parimutuel tracks, and for those gambling operators who want to build a local convenience (non-destination casino), but SB 237 will be bad for the destination gambling facilities in the state, and it will be bad for Kansas.

On behalf of the PBPN, I respectfully request that this committee vote No on SB 237.

Thank you very much for permitting me to testify, and I will be happy to yield to questions.