

HEIN LAW FIRM, CHARTERED

5845 SW 29th Street, Topeka, KS 66614-2462

Phone: (785) 273-1441

Fax: (785) 273-9243

Ronald R. Hein
Attorney-at-Law
Email: rhein@heinlaw.com
www.heinlaw.com

Testimony re: HB 2168
House Federal and State Affairs Committee
Presented by Ronald R. Hein
on behalf of
Prairie Band Potawatomi Nation
March 22, 2013

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 HB 2168. The PBPN has traditionally opposed expansion of state gaming. The Indian Gaming Regulatory Act was enacted by the United States Congress on October 17, 1988.

Pursuant to IGRA, tribal gaming revenue must be used for the following purposes: funding tribal government operations or programs, providing for the general welfare of the tribe and its members, promoting tribal economic development, donating to charitable organizations and funding local government agency operations. Currently tribal revenue funds the Nation's Health Center, District Court, Law Enforcement and Fire Department as well as over 28 government departments, in many ways similar to local or state government functions operations. Many jobs at the Prairie Band Casino and Resort as well as the Nation's government are held by non-Indian employees who live off the reservation so the local communities benefit from the tribal gaming revenue directly and indirectly.

When Governor Sebelius 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 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 testified that if gambling expansion passed, it would be a slippery-slope, and that the gambling promoters would always request 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.

HB 2168 proposes reducing the investment for the southeast Kansas casino to \$50 million, and cuts the privilege fee to \$5.5 million.

HB 2168 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.

HB 2168 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. They were afraid that the anti-gambling folks would keep wanting another vote to take away the casinos. But what happened? They LOST. So now, some 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. The request for a re-vote tell the citizens of Sedgwick County that their votes didn't matter

The gambling industry wrote KELA as they wanted it. I understand the ability of legislators to re-write legislation, but it is disingenuous if any portion of the gambling industry which wrote these rules supports HB 2186 simply for their own self-interest. .

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.**"

HB 2168 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 HB 2168 will be bad for the existing destination gambling facilities in the state which already negatively impact tribal gaming. In addition, HB2168 will be bad for Kansas.

On behalf of the PBPN, I respectfully request that this committee vote No on HB 2168.

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