

Date: February 21, 2019

To: House Committee on Commerce, Labor and Economic Development

Re: HB 2280 – Proponent

Chairman Tarwater and committee members:

House Bill 2280. Jobs and the agri-economy. Jobs and the agri-economy. That's what HB 2280 is about.

I am Jeff Rutland from Independence. I continue to operate our family ranch where we raise nothing but speed bred quarter horses and thoroughbreds. My Dad moved to Kansas from Oklahoma 70 years ago ... to raise horses ... ultimately landing him in the AQHA Hall of Fame for his knowledge and impact he put on the horse racing industry of the nation. One of our barns is a concrete and metal building that is literally larger than a football field that can house nearly 200 horses in individual stalls. We bred between 600 and 700 mares each year, with customers coming here from all over the U.S., Mexico and Canada to get a colt sired by one of our stallions. We've spent over a quarter million dollars on feed and hay alone in a single year at our operation ... and we are only one farm. Open the racetrack back up and this kind of business investment opportunity will offer itself to many others that will come to Kansas from other states to raise Kansas bred horses. Current law requires there be two races each day be restricted for horses bred and raised here in Kansas. These horses will run for higher purse money due to the Kansas Bred supplements from that program ... creating even more incentives for out of state owners to send their horse to Kansas to be bred and boarded ... creating even more demand for feed, hay, services, etc.

Yes, I hate to admit it but most racetracks in the United States now need gaming to survive. Horse racing did a poor job promoting the beauty of our sport, the work and money spent to get that one horse into the starting gates, the character it builds in the youth of today that can't wait to get home from school so they can get to the barn instead of playing video games. Racing got caught up in their own success of being the only gamble in town. In the mid-1980's, parimutuel wagering still accounted for nearly 24% of the dollar gambled. Today that figure is less than 3%. As each state, including Kansas, allowed casino gambling to evolve while cannibalizing the gambling dollar the racetracks once held, horse racing had no alternative but to harness this different form of gambling to allow it to benefit our industry. This bill will benefit more than the local economy of Wyandotte county. It will benefit more than just the state-owned casino operators, who for the most part, take their share of gaming revenue out of state. (Heck, Hollywood can't even be called a "destination resort casino" as their contract calls for since they have failed to live up to their promise of building a hotel adjoining their facility). Passage of this bill will benefit all Kansans by spreading more of the revenue generated at the racetrack across the entire state so many people can realize the positive impact that a healthy horse racing industry can have.

There is no reason not to pass HB 2280. None. The state-owned casino lobbyists are going to tell you the racetrack would be bad for their business. That we don't deserve any law change. That it's fair for the racetracks to pay the state 40% while they pay only 22% tax on the slot revenue. They will try to convince you that the racetrack could be considered a "similar facility" to their casino. Really? If this were so, why would there be two distinct parts of the Kansas Expanded Lottery Act, one very specifically dealing only with criteria for a racetrack gaming facility? There are nine complete sections of the statute

(K.S.A. 74-8740 thru 74-8744, 74-8746, 74-8767 and 74-8772) dealing with nothing but racetrack gaming facilities requirements. There is no doubt the legislature intended for horse racing to benefit from this act. Similar facility? The last time I drove by Hollywood Casino I didn't see much similar about it. There weren't 1,200 head of horses over there to be fed, watered, brushed, exercised, and taken care of. I didn't see trucks and trailers from all across the state and country parked there. I didn't see blue collar workers smiling and whistling as they gave a hot, soapy bath to an animal as the steam rose off of him in the pre-dawn light. I didn't see truckloads of hay and feed from western Kansas being unloaded over there. Do you realize that it would take over 75,000 bales of hay to feed 1,200 horses during a 60 day race meet, let alone the hay to be fed before they get to the track while preparing?

But there are more than 105 reasons to pass this bill. Yes, every one of the 105 counties of the state will benefit. Not just Wyandotte county, or Sumner county or Ford county ... but also Montgomery county, Harper county, even Greely county will see a positive impact from this bill. The reason is this bill doesn't simply open a horse racing and gaming facility in Kansas City, it offers incentives to the agri-industry of Kansas to produce more hay, more grain, more veterinary services, more truck dealerships, etc. ... and yes, more horses! It will attract out of state investment into our state without government funding. It will rebuild what once was a flourishing industry that Kansas was proud of. Throughout the twentieth century, Kansas was ranked 5th in the production of racing QH and in the top 10 in the production of TB in the country. But when our racetracks, our market place shut down, so much of this has diminished. Pass this bill and it will return.

Many of you have seen us in these halls over the past ten years in effort to get our tracks back open. The difference today is we no longer include in our bill the legal uncertainties that the Wichita Greyhound Park carried with their inclusion. This is the first year we've brought you a bill that allows a change at the Wyandotte county track alone. During the last hours of the 2015 session the greyhound track language was stripped from that original bill and it easily passed the senate but couldn't be voted on by the House before adjournment. We know the support for horse racing and the Kansas City track has always been there ... and still is. Don't be confused by what the casino lobby may try to tell you otherwise. This bill is fair. It's fair to all citizens of Kansas. It allows opportunity for all Kansans to benefit from expanded gaming as the original KELA intended. This act was meant to help bolster the racing industry as a piece of the \$277 million economic impact the horse industry has on the state of Kansas. See to it that it does by passing this bill. There is no legitimate reason not to.

Most of you are already familiar with the numbers of the impact our industry can have on the economy while bringing more jobs to the state, many of which will be in the rural counties.

Attached you will find (a.) an economic study done on the racing industry of Kansas by Mr. Arthur Hall along with

(b.) a brief synopsis of its contents depicting his findings.

Also included is (c.) a brief history of our strife and why it makes sense to allow our racetrack in Kansas City to open. It's our market place and reason to raise Kansas bred horses.

Attachment (d.) is a fact filled bullet point summary of what the Kansas horse racing industry can contribute to the state.

Attachment (e.) illustrates the many businesses that a horse facility will impact.

The final attachment is (f.) a brochure for reference of the economic impact the horse racing industry of Oklahoma has on that state.

By passing this bill, you'll truly be serving the state of Kansas and your hometown constituents in a positive way.

Thank you for voting in favor of HB 2280.

Respectfully,

Jeff Rutland
Owner, Rutland Ranch
Independence, Kansas
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Attachments

- a. The Economics of Restoring Live Horse And Greyhound Racing
- b. 2019 Key Points Econ. Impact
- c. HB 2280 Wyandotte Racetrack Benefits
- d. Kansas Horse Racing Benefits-Summary (bullets)
- e. A Single Horse Facility
- f. OK_Horse_Final (Okla. Econ. Impact brochure)