



BEFORE THE HOUSE COMMITTEE ON FEDERAL AND STATE AFFAIRS

TESTIMONY OF BRUCE CHRISTENSON

IN SUPPORT OF SUBSTITUTE FOR S.B. 84

March 18, 2021

Chairman Barker and Members of the Committee:

My name is Bruce Christenson. I am a principal of Kansas Crossing Casino, L.C., which manages the Kansas Crossing Casino & Hotel in Pittsburg, Kansas (“Kansas Crossing”). Kansas Crossing supports the Substitute for SB 84 (“SB 84”) and believes that it merits your favorable consideration. I appreciate the opportunity to share our views regarding sports wagering in the State of Kansas.

Since opening on March 29, 2017, Kansas Crossing has been a significant driver of economic growth in southeast Kansas, producing more than \$34 million in economic activity during the last fiscal year unaffected by the COVID-19 pandemic. Since opening, we have generated substantial gaming revenue that benefits Kansans, including more than \$27.3 million for the State, more than \$3.7 million for local governments and more than \$2.4 million for the Problem Gambling & Addictions Grant Fund. Kansas Crossing also employs approximately 250 people and has made significant educational and charitable contributions in our region.

Kansas Crossing strongly supports sports wagering in this State under the framework established by the Kansas Expanded Lottery Act (“KELA”). We believe that the four state casinos are in the best position to make sports wagering available to the people of Kansas. Under SB 84, sports wagering would be permitted on the physical premises of the four state casinos and through the casino managers using internet and mobile device applications within the State of Kansas. Internet and mobile access to legal, regulated sports wagering through our state casinos and online accounts in Kansas is necessary to meet the needs of our citizens and to discourage them from resorting to the illegal market. SB 84 is the fastest and most effective implementation of highly regulated sports betting in Kansas.

If convenience stores, gas stations, grocery stores and sports bars are permitted to offer sports wagering as part of their primary retail business activities, we anticipate potential problems in issuing credentials to thousands of retail employees, enforcing the prohibitions against underage gambling and promoting responsible gaming. Apart from high job turnover at such retail establishments, clerks, bartenders and wait staff have multi-tasking responsibilities in often busy and chaotic environments that will present difficult challenges in maximizing compliance with sports wagering restrictions. On the other hand, existing casinos have enhanced security procedures that minimize the risk of sports wagering by underage persons and problem gamblers at retail locations while simultaneously encouraging Kansans to refrain from illegal betting through off-shore gaming sites.

As you have heard, sports wagering is a very low margin endeavor because approximately 95% of all amounts wagered is returned to wagering patrons. The casino manager's share of this sports wagering revenue must be large enough to cover the ongoing costs of capital infrastructure, equipment, utilities, insurance, employee wages and benefits, employee training, financial accounting, regulatory compliance, advertising, withholding taxes, real and personal property taxes, federal excise taxes and similar items. The distribution of sports wagering revenue under SB 84 is consistent with the tax rates in nearby midwestern states and gives the casino managers a fair opportunity to recover their investments.

The question may be asked why the existing casinos would want to manage sports wagering if the margin is too small to generate significant revenues for the casinos. In other states, where this gaming structure has been initiated the fact that sports gaming is offered in the facility assists in promoting tourism and visitation by members of the public, which results in increased revenues from entertainment, food and beverage services. These increased revenues would definitely assist the existing casino managers in competing with the ever-increasing tribal competition from neighboring states, strengthen the economic base of Kansas Crossing and in turn increase the revenues to the State of Kansas.

On behalf of Kansas Crossing, I want to thank you for this opportunity to express our support for SB 84.

Respectfully submitted,

Lottery Gaming Facility Manager
Kansas Crossing Casino & Hotel
By: Bruce Christenson
Managing Member
Kansas Crossing Casino, L.C.