

To: House Federal and State Affairs

From: John Goodyear, Staff Attorney

Date: February 18, 2021

RE: Neutral Testimony on HB 2199

I want to thank Chairman Barker and the members of the Committee for affording the League of Kansas Municipalities the opportunity to provide neutral testimony today regarding HB 2199.

The League has no position regarding whether gaming within the state should be expanded to allow for wagering on athletic events. We would ask however that as the Committee gives thought to this expansion, that a share of revenue from sports wagers for local governments be considered.

In current law, gaming facilities contribute three percent of their revenue to local government entities. This contribution is made to help local governments bear the increased local costs associated with having a gaming facility. These costs include items like the maintenance of the streets leading up to the gaming facility and increased law enforcement presence around facilities. As written, HB 2199 excludes revenue from sports wagering from the definition of “lottery gaming facility revenues” and no provision is made elsewhere for local governments to receive a share of the revenue produced by sports wagers.

Sports wagering is something that many people within the state would like to see pass, and, if it does, it is an activity that many Kansans and residents of neighboring states will engage in. When things return to the pre-pandemic norm, we expect that traffic to these facilities will increase as a product of this legislation. Increased traffic to facilities means increased costs to local government and revenue will be needed to offset the cost. For this reason, we request that if this bill is to move forward, that a provision be made for local government entities to receive a proportional share of the revenues from sports wagering, in line with what they receive from the rest of the revenue produced within a gaming facility.

Thank you for the opportunity to voice the concerns of our member cities. The League would ask that this issue be considered before HB 2199 is passed favorably by the Committee.