



# Kansas Expanded Lottery Act and Race Track Gaming Facilities

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# KELA: 15 years in the making

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- 1992
  - Missouri authorizes riverboat casinos
- 1994
  - Kansas Supreme Court clears way for tribal casinos; four built in NE Kansas
- 2003-present
  - Growth in Oklahoma tribal casinos
- 2007
  - KELA passes
  - 21-19 Senate/64-59 House (needs 63)



# Key aspects of KELA for race tracks

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- Kansas Lottery owner of gaming
- 2200 slot machines authorized between three race tracks
- No dealer operated table games allowed
- Lottery allowed to distribute games between tracks
  - 800 at Woodlands/KC
  - 800 at Wichita Greyhound Park
  - 600 at Camptown/SE Kansas
- \$2500 one time fee per slot paid by tracks



## Requirements to operate slots at tracks

- Affirmative county vote
- Contract with Kansas Lottery Commission
- KRGC contract approval

# County Votes – Slot Machines

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- Crawford County/Camptown
  - Yes: 61%
  - No: 39%
- Wyandotte County/Woodlands
  - Yes: 82%
  - No: 18%
- Sedgwick County/Wichita Greyhound Park
  - Yes: 49.88%
  - No: 50.12%



# Gaming Revenue Distribution

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- 40% to state
- 25% to manager
- 15% to manager for Lottery approved expenses
- 7% to horse purse supplements
- 7% to greyhound purse supplements
- 3% to local units of government
- 2% to state problem gambling fund
- 1% to fair racing supplement fund

## Revenue retained by operator – other states

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- Delaware: 48%
- Florida: 50%
- Iowa: 76%
- Louisiana: 63.6%
- Maine: 52.2%
- New Mexico: 54.75%
- New York: 29.7%
- Oklahoma: 59%
- Pennsylvania: 45%
- Rhode Island: 27.4%
- West Virginia: 42.2%
- **Kansas: 40%**

*Source: 2008 AGA Survey of Casino Entertainment*



# Race track gaming revenue projections

## Christensen Capital Advisors March 2004

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- Camptown/Southeast Kansas
  - \$27.6M-\$75.3M
- Wichita Greyhound Park
  - \$55.9M-\$209.4M
- Woodlands/Kansas City
  - \$77M-\$268.9M

# Race track gaming revenue projections

## Christensen Capital Advisors Feb. 2006

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- Camptown/Southeast Kansas
  - \$56.5M
- Wichita Greyhound Park
  - \$59.3M-\$74.2M
- Woodlands/Kansas City
  - \$88.2M-\$94.2M

*\*\*Assumes casino competition*

# Race track gaming revenue projections

## Christensen Capital Advisors March 2006

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- Camptown/Southeast Kansas
  - \$31.1M
- Wichita Greyhound Park
  - \$140.3M
- Woodlands/Kansas City
  - \$107.5M

*\*\*Assumes casino competition in Kansas City and Southeast Kansas*

# Race track gaming revenue projections

## Christensen Capital Advisors March 2008

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- Camptown/Southeast Kansas
  - \$156.1M – prior to casino opening
    - \$712 per day per machine
  - \$33.3M – after casino opening
    - \$152 pdpm
- Woodlands/Kansas City
  - \$216M – prior to casino opening
    - \$740 pdpm
  - \$64.6M – after casino opening
    - \$221 pdpm

# Race track gaming revenue projections

## Wells Gaming Research May 2008

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- Camptown/Southeast Kansas
  - \$17.17M-\$18.65M
- Woodlands/Kansas City
  - \$24.85M-\$31.9M

*\*\*Assumes casino competition*

# Race track gaming revenue projections

## Cummings Associates May-Sept. 2008

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- Camptown/Southeast Kansas
  - \$30.9M – prior to casino opening
    - \$141 pdpm
  - \$24.1M – after casino opening
    - \$110 pdpm
- Woodlands/Kansas City
  - \$44.2M – prior to casino opening
    - \$151 pdpm
  - \$28.5M – after casino opening
    - \$97 pdpm



# Where Kansas race tracks are now

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- Camptown/Southeast Kansas
  - Has never reopened, closed since 2000
- Woodlands/Kansas City
  - Closed in August 2008 after failing to negotiate contract with Kansas Lottery
- Wichita Greyhound Park
  - Closed in Oct. 2007 after county vote fails
- Racing and Gaming Commission
  - Conducted hearing to revoke track licenses, gives tracks until 30 days after legislative session to amend law and restart racing



# Conclusion

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- Thank You
- Questions?
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