

Approved: 2-4-93

MINUTES OF THE JOINT COMMITTEE ON FEDERAL AND STATE AFFAIRS

The meeting of the Joint House/Senate Federal and State Affairs Committee was called to order by Chairperson Lana Oleen at 9:00 A.M. on February 1, 1993, in Room 1993 of the Capitol.

All members were present except:

Committee staff present: Mary Galligan, Legislative Research Department
June Evans, House Committee Secretary
Jeanne Eudaley, Senate Committee Secretary

Conferees appearing before the committee: Bert Cantwell, Pres., Chamber of Commerce, Kansas City, Kansas
Bruce Rimbo, Executive Vice President, Woodlands
Craig Rider, Construction General Union, Kansas City, Kansas
Pastor Chet Evans, President, Greater Topeka Association of Evangelicals
Sandra Keo, Chairperson, Sac & Fox Nations
Lance Burr, Attorney General, Kickapoo Indian Nations

The Chairperson stated the time would be divided equally between proponents and opponents and will leave time for questions.

A panel consisting of Bert Cantwell, President and Chief Executive Officer, Chamber of Commerce, Kansas City; Bruce Rimbo, Executive Vice President, Woodlands, representing the Kansas Affiliate of Horsemen's Benevolent and Protection Association, Inc.; and J. Craig Rider, Assistant Business Manager, Secretary Treasurer, Construction & General Laborers' Union 1290 AFO-CIO testified in support of SCR 1608, stating it is an excellent opportunity to create approximately 2,000 construction jobs, the reality is that the competitive situation arising in the form of riverboats in Missouri, forces the Kansas HBPA to support the idea of a casino at our racetrack. The racetrack industry is in serious jeopardy if casino gambling is not allowed at the Woodlands. This constitutional amendment to allow casino gaming in the Kansas City area would promote economic and community development within Wyandotte County to strengthen and diversify the local tax base and to provide additional employment and housing opportunities. (See Attachments #1, 2, 3, & 4).

Dave Schneider, Kansans For Life At Its Best, opposed this constitutional amendment stating of the 119 amendments previously voted on, not one of them has ever proposed to afford a privileged competitive position to a private sector corporation. (See Attachment #5)

Pastor Chet Evans, President, Greater Topeka Association of Evangelicals, opposed SCR 1680 stating casino gambling would bring an influx of what can best be described as unsavory people. Casinos are simply not worth the trouble they cause. Whatever advantages they might offer come with too great a

price tag to be a bargain. (See Attachment #6)

Sandra Keo, Chairperson, Sac and Fox Nation of Missouri in Kansas and Nebraska, testified in opposition to an amendment to the constitution which would result in the virtual devastation and elimination of tribal gaming opportunities which the Sac and Fox has sought to engage in for more than a year. The Sac and Fox also opposes an amendment which would, in effect, grant a virtual monopoly to a company from Las Vegas which, unlike the native Americans of Kansas, who have wrestled with these complex issues for over a year. (See Attachment #7).

Lance Burr, Attorney General, Kickapoo Indian Nations, testified for Carol J. Anske, Tribal Chairperson, Kickapoo Nation of Kansas, in opposition of SCR 1680, stating this would jeopardize Indian gaming. The Indian Gaming Act of 1988 gave the Indian Nations in Kansas a means to pursue economic development. It is felt by passing this resolution the intent of this Act would be hindered. (See Attachment #8)

Testimony in support of SCR 1680 distributed by the Kansas City Area Convention and Visitors Bureau, (See Attachment #9); Dwayne W. Peaslee, President of the Kansas State Building and Construction Trades Council, Lawrence, Kansas, (See Attachment #10); Thomas L. Lynch, Jr., President, Board of Public Utilities, Kansas City, Kansas, (See Attachment #11); Young Men's Christian Association, Kansas City, Kansas (See Attachment #12); and Edward Gibbons, Executive Director of Financial Resource at the Capper Foundation, Topeka, Kansas, (See Attachment #13).

Testimony opposing SCR 1680 was distributed by Frances Wood, Woman's Christian Temperance Union (See Attachment #14) and Robert Runnels, Jr., Executive Director, Kansas Catholic Conference (See Attachment #15)

Discussion followed.

The meeting adjourned at 10:00 A.M.

THE KANSAS CITY KANSAS



AREA CHAMBER OF COMMERCE

913/371-3070
FAX 913/371-3732

February 1, 1993

Senator Lana Oleen, Chairperson
Senate Committee on Federal and State Affairs

Representative Clyde Graeber, Chairperson
House Committee on Federal and State Affairs

Statehouse Capitol - Room 313 South
Topeka, Kansas 66612

*RE: Senate Concurrent Resolution 1608: Support for the Resolution for a
Constitutional Amendment for Casino Gaming in Kansas City, Kansas*

Dear Chairperson Oleen and Chairperson Graeber
and Members of the Joint Committee on Federal and State Affairs:

The Kansas City, Kansas Area Chamber of Commerce appreciates the opportunity to address the committee on the Senate Concurrent Resolution 1608 for the proposed Constitutional Amendment to allow casino gaming in Kansas City, Kansas. As the representative organization for more than 900 Wyandotte County businesses, our number one priority is to promote economic and community development within Wyandotte County to strengthen and diversify the local tax base and to provide additional employment and housing opportunities for our residents.

The Chamber of Commerce believes that we can accomplish that goal for our community and for the State of Kansas through a unique opportunity which has been offered our community: The establishment of a single, state-regulated gaming casino resort within the Kansas City, Kansas corporate limits.

Our state and community's economic and pari-mutuel interests have been threatened with recent legislative developments in Missouri, but it is a challenge we have faced and overcome before. Several years ago, Kansas and Missouri were in the race to legalize horse racing. Through a united, cooperative effort across this state, Kansas was able to win that race. That legislation helped establish The Woodlands, a \$70 million facility that is currently the number two attraction in the Kansas City metropolitan area, second only to the Kansas City Royals baseball team. It is critical to our business community in Wyandotte County and throughout the state that we again answer the challenge with a united, cooperative defense.



P.O. Box 171337, Kansas City, Kansas 66117-0337 • 727 Minnesota Avenue 66101



F-5A
5-1-93
Atch

Support for Senate Concurrent Resolution 1608

Page 2

With Missouri's impending approval of riverboat gambling tomorrow (Tuesday, February 2) and the changes in its law including the addition of land based facilities, the State of Kansas must be aggressive in developing an economic proposal for competing for these entertainment dollars. If casinos in Kansas City, Missouri become a reality, our existing pari-mutuel operations in this state are at great risk. That means that the \$46 million in Kansas taxes the Woodlands has contributed since opening in 1989 is at risk; the \$2 million Kansas charities across the state have received from the Woodlands is at risk; the added boost to the Kansas \$474 million horse agribusiness and \$110 million greyhound industries is at risk; and the \$8 million annual payroll for over 800 Woodlands employees is at risk. In total, a \$14 million revenue stream from the current Kansas pari-mutuel industry is threatened.

It is critical that as Kansans we aggressively defend our state's revenue stream and economic development. To protect against such a loss, the Kansas Legislature can lead the way by approving a constitutional referendum which would take gaming revenues to a higher level. You have before you a referendum on a constitutional amendment that would allow a single, state-regulated destination resort with casino gaming in Kansas City, Kansas.

If this proposal becomes a reality, it could mean millions of dollars in increased tax revenues -- gaming taxes, real and property taxes, sales taxes, liquor taxes, motor fuels taxes, and hotel taxes. A facility of this nature would create 10,000 new jobs for Kansans, jobs that are desperately needed. And most important, it could establish Kansas as a destination resort state for families across the country. And all of this means additional dollars in all of our pockets, in all of our communities.

I urge you to support this legislation and to support our Kansas businesses.

Sincerely,



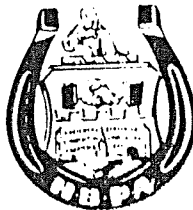
Bert Cantwell
President and Chief Executive Officer

FLSA
2-1-93
12

KANSAS AFFILIATE OF THE HORSEMEN'S BENEVOLENT & PROTECTIVE ASSOCIATION, INC.®

c/o THE WOODLANDS
P. O. BOX 12036
KANSAS CITY, KS 66112

(913) 788-8444
FAX (913) 299-9038



TESTIMONY OF RALPH LILJA

Good morning. My name is Ralph Lilja. I am the elected Chairman of the Kansas Horsemen's Benevolent and Protective Association, the trade organization that represents the thoroughbred and quarter horse racing industry in the state of Kansas. We represent over 1,700 horsemen in Kansas and nationwide over 50,000 horsemen. Our membership is composed primarily of owners and trainers of thoroughbred and quarter horses.

I am here today to support giving the people of Kansas the right to vote on whether they want a casino at The Woodlands in Kansas City, Kansas. Though I wish I did not have to speak on this issue today, the reality is that the competitive situation arising in the form of riverboats in Missouri, forces the Kansas HBPA to support the idea of a casino at our racetrack. Simply put, to do otherwise places the future of our industry in serious jeopardy.

There are numerous examples of what happens to racing when other forms of gaming compete against horse racing, especially when racing does not get the opportunity to share in the revenue from that gaming. One only has to look at the \$90,000,000 Canterbury Downs in Minnesota.

Many of the people in racing and a large portion of our membership are much like you and I. Hard working people simply trying to make a living. If The Woodlands is forced to close because of riverboats in Missouri, we not only lose the facility and the jobs there, we also lose the real jobs and real people who support that facility by breeding and racing thoroughbred and quarter horses.

From the HBPA's standpoint, if we are able to negotiate a fair revenue sharing arrangement with The Woodlands and The Mirage, we may not only survive as an industry, we may excel.

I simply ask each of you, who have the power to decide this issue, to put aside your personal feelings about the relative merits of a casino and let the people of Kansas decide if this is appropriate. Let the people decide if our livelihoods are worth preserving, if our industry deserves to be kept alive.

I ask you on behalf of our industry, our people and our livelihoods to let the people of Kansas decide whether we should have the opportunity to survive, yes even to excel. Thank you.

F-5A
2-1-93
Atch #2

RICHARD L. EVERHART
PRESIDENT
CARLTON D. YOUNG
VICE-PRESIDENT
DONALD G. BLAKEMAN
RECORDING SECRETARY

Construction & General Laborers' Local Union 1290 AFL-CIO



JOHN J. RIDER
BUSINESS MANAGER
SECRETARY-TREASURER
CRAIG RIDER
ASSISTANT
BUSINESS MANAGER
SECRETARY-TREASURER

MAIN OFFICE
2600 MERRIAM LANE, KANSAS CITY, KANSAS 66106
TELEPHONE 913-432-1903, 432-2440
FAX 913-432-2026

February 1, 1993

OPEN LETTER TO ALL KANSAS LEGISLATORS

RE: CASINO GAMING BILL

Ladies and Gentlemen:

This letter is written pledging full support and backing by Laborers' Local Union 1290 of Kansas City, Kansas, for casino gambling in the city of Kansas City, Kansas.

It is an excellent opportunity to create approximately 2,000 construction jobs for building the initial facility, not to mention the permanent jobs once it is built and an unlimited number of construction and permanent jobs building and operating support facilities such as retail shops, convenience stores, gas stations, etc.

This may very well be the catalyst needed to get Wyandotte County headed in the right direction once again. It is very refreshing to finally hear about a first class facility such as the Mirage/Woodland Casino wanting to move into Wyandotte County rather than out.

So I urge you to please put this on the ballot and let Kansans decide.

Sincerely,

J. Craig Rider, Assistant
Business Manager/Secretary Treasurer
Construction and General Laborers'
Local Union 1290, AFL-CIO

JCR:da

LAWRENCE OFFICE
930 E. 28TH ST.
P.O. BOX 4041
LAWRENCE, KANSAS 66046
AREA CODE 913-843-4480

PARSONS OFFICE
1929 CRAWFORD
P.O. BOX 576
PARSONS, KANSAS 67357
AREA CODE 316-421-1407

LEAVENWORTH OFFICE
515 SOUTH 5TH ST.
LEAVENWORTH, KANSAS 66048
AREA CODE 913-682-0463

Ex 51
2-1-93
Atch 3

MIRAGE RESORTS

JAMES E. RITCHIE
EXECUTIVE VICE PRESIDENT
CORPORATE DEVELOPMENT

*The attached white paper on
crime may be of interest
to you — Jim Ritchie*
JAMES E. RITCHIE

Mr. Ritchie is an attorney admitted to practice in the States of California, Oklahoma and the District of Columbia. He joined the Company after a distinguished career of government service and private practice. As former Executive Director of the Presidential Commission on the Review of the National Policy Toward Gaming (1974-1977), Mr. Ritchie was responsible for all activities and functions of the Commission, including serving as liaison with Congress regarding the taxation, prohibition and regulation of gambling activities. He also served as the liaison with appropriate federal agencies, involving extensive dealings with legal gambling interests throughout the United States and abroad. Through his involvement with the Commission, Mr. Ritchie gained recognition as an expert in both domestic and international gaming industries.

Prior to Mr. Ritchie's tenure on the Commission, he served as a trial attorney for the Organized Crime and Racketeering Section of the United States Department of Justice, and was appointed Attorney in Charge of the Detroit Strike Force and subsequently of the San Francisco Strike Force. These Strike Forces operate special prosecution units to investigate and combat organized crime, and Mr. Ritchie was involved in the prosecution of major unlawful gambling operations.

Mr. Ritchie joined the company from the firm of O'Connor & Hannan of Washington, D.C., where he was a senior partner. Prior to that association, Mr. Ritchie owned his own law firm in Washington, D.C., where he specialized in areas of taxation and policy legislative issues dealing with legalized gaming in the U.S., and abroad.

Mr. Ritchie has served in the Army Judge Advocate General's Corp in excess of 30 years. The last four years Brigadier General Ritchie was assigned to the Pentagon as Assistant Judge Advocate General for Operations, prior to his retirement in June 1992.

CASINO GAMING AND ORGANIZED CRIME:

SEPARATING FACT FROM FICTION

OCTOBER 16, 1992

Rev. 12/21/92

FLSA
2-1-93
4-2

I. INTRODUCTION

As cities and states across the country grapple with economic challenges, casino gaming is increasingly being considered as part of new economic development plans. In what has become a recognizable trend, leaders in disparate communities react to the possibility of casino gaming based on their own perceptions, yet few, if any, of these individuals have any experience with casino operations or regulations.

High unemployment, declining tax revenues, increases in crime, inner city blight and increased demands for governmental services are forcing lawmakers and community leaders throughout the nation to develop long-range plans for creating new jobs and generating new sources of revenue. Within this context, many state and local governments are considering casino gaming.

Whenever and wherever the idea of creating new recreational and economic opportunities which include casino gaming is raised, the question is put, "Won't it bring organized crime?" The purpose of this paper is to answer that question.

Organized crime flourishes largely to the extent it is tolerated in the neighborhood, industry, business, or other endeavor where it seeks to profit. Where it is tolerated by the police and populace, it grows; where it is rejected, repudiated and vigorously prosecuted, it recedes and ultimately dies. The aptness of this simple distillation of the complex phenomenon we call organized crime becomes clear as one looks back on the history of the mafia in the United States. It is reflected in the growth of organized crime throughout several generations in American history in a wide variety of endeavors, including casinos, and it is equally reflected in the decisive actions by the Congress, law enforcement, state regulators, and private enterprise, including the casino industry, which have substantially eradicated traditional organized crime from many fields of endeavor and areas of the country over the last twenty (20) years.

The answer of Mirage Resorts, Incorporated to the question, "Won't it bring organized crime?" is that we have no tolerance for organized crime.

In conjunction with our state regulators, we pursue a vigilant program to prevent any such influence. This is also true of the other leading companies in the casino industry. The historical view that casinos and organized crime are necessarily a package deal is simply out of date, but it keeps being repeated out of habit.

In determining whether or not casino gaming is a viable alternative to help governments achieve new economic growth, it is essential to understand the strict regulatory foundation upon which a successful and crime-free casino gaming industry must be built. The regulatory systems which exist in Nevada and New Jersey have become the models utilized by new gaming jurisdictions such as Colorado, Illinois, South Dakota, Iowa, Mississippi and Louisiana. Although sometimes differing in their approach, both Nevada and New Jersey have adopted a regulatory philosophy that emphasizes three basic policies:

1. Adoption of strict licensing provisions to ensure that only suitable people are permitted to own and/or operate a casino;
2. Creation of comprehensive internal, accounting and operating controls to ensure the integrity of the gaming operation and the accountability for all revenues; and
3. Establishment of a system which allows the regulator to identify notorious persons and provide the casino operator with a legal basis to exclude those persons.

Today, gaming industry leaders are, for the most part, publicly traded companies whose ownership and financing are all a matter of public record.

A state which chooses such a company to implement its policy choice to add gaming to its mix of economic and recreational activity and then backs up that choice with a sound regulatory system need have no fear of organized crime and may concentrate on the real issues involving the choice to permit casino gaming.

This report lays out the facts and the myths surrounding the subject of the influence of organized crime in casino gaming. It presents the history of Mirage Resorts, Incorporated and gives short biographies of some of the Company's relevant key employees.

II. ORGANIZED CRIME AND CASINOS: FACT AND MYTH

In each of the states where gaming has been recently legalized, the issues of regulation and control have been raised. The debate always focuses on the possible influence of organized crime, direct or indirect, upon casino gaming.

Each jurisdiction contains within it a wide range of opinion on these controversial issues. However, it is universally accepted that the first, foremost and best line of defense against the infiltration of a casino by organized crime is the personal and financial integrity of the casino's ownership.

"There is a great deal of difference between the legalization of gambling and the legitimization of casino gambling. One process, the legalization, can be done in a matter of months or weeks, and as the voters cast their ballots it is therefore instantaneous."

"The second process, that of legitimization, of an industry gaining respect and credibility in a community, is a far more subtle, far more delicate process involving a long time. It is quite easy to derail. It is a technical and specialized business. It requires special and technical knowledge."

Organized Crime and Gambling: Record of Hearing VII, President's Commission on Organized Crime, New York, New York 537-38 (June 24 - 26, 1985) (testimony of Stephen Wynn).

As Jeremy Margolis, former Assistant U.S. Attorney for the District of Northern Illinois and Director of the Illinois State Police, stated in his May, 1992 report to the city of Chicago concerning fears that legalized casino gaming operated by Caesars World, Inc., Circus Circus Enterprises and Hilton Hotels Corporation would open the door to organized crime: "The notion that publicly held companies of this size can be taken over by organized crime may be rhetorically catchy, but is without merit." Preliminary Report to the City of Chicago Gaming Commission, at pp. 9-10.

In each new jurisdiction considering casino gaming, the accusation is often made that there is a necessary connection between casinos and organized crime. However, responsible persons separate the facts from the myth and find that "no legitimate evidence is presented, such as convictions of organized criminals involved in Atlantic City casinos, to support their views." Albanese, The Effect of Casino Gambling on Crime, 49 Federal Probation 39 (1985). Indeed, the Atlantic City experience is evidence that casinos can be run free of any organized crime influence. The New Jersey track record on this point has been so successful that in over 14 years of casino gaming, there has not been a single prosecution involving the infiltration of a casino by organized crime. In Nevada and New Jersey, the regulators have come to rely, in part, on the added protections afforded by dealing with publicly held companies to thwart any organized crime influence.

FVSA
2-1-93
4-5

As Carl Zeitz, a former 8-year member of the New Jersey Casino Control Commission, has written: "The result is that New Jersey is credited not only with driving from the casino industry the vestiges of undesirable elements, but more significantly with establishing a system that can assure the desired result." Zeitz, Gaming Regulation in New Jersey, A Report Prepared For Sun International, at p. 9 (1992).

In October of 1992, the second invitational forum on the Casino Gambling Task Force took place in Hartford, Connecticut. As one of many speakers possessing expertise on casino gaming, Alvin Shpeen, Director of the New Jersey Division of Gaming Enforcement Department of Law and Public Safety, concurred in the belief that New Jersey has prevented organized crime from obtaining a foothold in its casino industry.

"...[W]e in New Jersey consider the act (the New Jersey Casino Control Act, N.J.S.A. 5:12-1 et seq.) and its strict regulation of the casino industry a success. We are proud that organized crime has not been able to puncture the regulatory net surrounding the industry."

Casino Gambling Task Force, October 16, 1992, at p. 6.

Mr. Shpeen testified that there has been no infiltration by organized crime in New Jersey casino ownership and, "...frankly, what happens is that they don't receive license even in the service industry...I don't know how our investigations would miss it and since it's so in depth, they just wouldn't get a license." Transcript at p. 49.

Mr. Shpeen went on to state that despite the "public perception" that casinos are involved with organized crime, a perception fueled by such films as "Bugsy", "They're answerable to a lot of people and they've got to get through a lot of internal examination, not just from us, but from other areas." Transcript at p. 50.

The same conclusion was reached by the New Jersey Governor's Advisory Commission on Gambling in 1988: "...as a result of New Jersey's strict regulatory scheme and law enforcement diligence, organized crime has not in fact infiltrated the operation, management or ownership of the casino industry in this state..." Report and Recommendations of the Governor's Advisory Committee Gambling, at 17 (1988).

The original interest of organized crime in the casino industry was grounded in the need to finance the industry. The availability of public financing has removed the very reason for the historical relationship between casinos and organized crime. Professor Jerome Skolnick, author of House of Cards and numerous other publications on gaming and casinos explained: ". . . such ties were developed because casino gambling, like other industries, needed investment capital to expand. Major institutional lenders, however, were reluctant to provide capital to a pariah industry." Skolnick, A Zoning Merit Model for Casino Gambling, Annals of the American Academy 48, 55 (July 1984).

Today, the major public corporations engaged in gaming are no longer considered "pariahs" by the banks and securities underwriters; rather, they are sought after and prized clients. Because of the success of the large gaming companies in increasing the value of their stock and in performing on their debt obligations, it is now the bankers who pursue the casinos. The result: the public markets and commercial banks provide all of the financing needed.

Stan Hunterton, former Deputy Chief Counsel to the President's Commission on Organized Crime and U.S. Department of Justice Organized Crime Strike Force prosecutor in both Detroit and Las Vegas, testified at the 1992 Hartford forum that law enforcement vigilance and major public corporations have driven organized crime from the casino industry.

"No, it's not that organized crime suddenly lost interest in casinos. Organized crime has an interest in any industry or business or area where it's tolerated, where people let it flourish, where the police are not vigilant, where the FBI is not vigilant."

"It's because they were driven out through an effective system of regulation, through a vigorous set of prosecutions which culminated in the early and mid-1980's and through the fact that in many instances...the old time private owners who might be subjected to influence by organized crime have been exchanged or replaced by New York Stock Exchange Companies..."

Transcript at pp. 122-123.

Furthermore, the casino and hotel projects are now done on a scale that is simply beyond the financial reach of organized crime. No one with organized crime expertise could seriously contend that the mafia could fund any of today's large resort and gaming projects with costs in the hundreds of millions of dollars.

The gaming industry in Nevada today is led by such New York Stock Exchange companies as Mirage Resorts, Incorporated, Hilton Hotels, Incorporated, Promus (formerly Holiday Corp.), Circus Circus Enterprises, Caesars World, Inc. and Showboat, Inc.

The standards which must be met by these companies and the oversight provided by the Securities and Exchange Commission make hidden ownership by organized crime an impossibility.

Nevada gaming licensee Richard Crane testified at the 1992 Hartford forum that he believes that today no element of organized crime exists in the gaming industry in Nevada. Crane served as Western Regional Director of the U.S. Department of Justice Organized Crime and Racketeering Strike Force. In that position he oversaw the investigation and prosecution of organized crime cases in the western United States, including Nevada, of labor corruption and political corruption cases and multi-state and multi-jurisdiction conspiracies. Now a private attorney in Los Angeles, Mr. Crane holds two unrestricted gaming licenses in Nevada and three unrestricted gaming licenses in Colorado. Mr. Crane also testified that he believes that there is no organized crime influence in the Colorado gaming industry. Transcript at pp. 82-84.

This same basic conclusion was reached in 1979 by the gubernatorially appointed New York State Casino Gambling Study Panel:

"The Panel is very aware of the widespread public perception that casino gambling and organized crime are invariably intertwined. The Panel recognized that there is a historical basis for this belief since organized crime did infiltrate and control some casinos in the early days of Las Vegas. We have investigated the development of the casinos in Nevada since the 1950's and have concluded that casinos have substantially moved toward a professional, regulated industry, largely devoid of an all-pervasive influence by organized crime. The movement into the industry of large, publicly held companies, under the supervision of the Securities and Exchange Commission, has brought about a substantial improvement in the integrity of the casino business." New York State Casino Gambling Study Panel, at 10-11 (1979).

A Presidential/Congressional Commission was created to advise the Congress and the states on the issues of gaming policy. The Commission was comprised of four United States senators, four members of the House of Representatives and seven persons appointed by the President of the United States. In its three year, \$3 million effort, all issues regarding legalized gaming were examined. Special attention was paid to the gaming industry in the state of Nevada.

Days of hearings were conducted, dozens of witnesses were examined and at the conclusion of the Commission efforts, it found: "Although organized crime once was a significant factor in some Nevada casinos, its influence has declined considerably and consistently during the past 10 years. In comparison with the situation 15 years ago, the presence of organized crime in Nevada today is negligible." Commission on the Review of the National Policy Toward Gambling, Gambling in America, p. 78. Furthermore, the efforts of the state of Nevada, in its constant vigilance to eradicate any influence of organized crime, have resulted in complete success in the sixteen years since the Commission was concluded.

The task of making the gaming industry inaccessible to organized crime in Nevada began in 1959, with the passage of the Gaming Control Act. As can be seen from the conclusions of the Commission and the New York State Casino Gambling Study Panel, by the late 1970's this effort was showing substantial success.

Today, the misplaced fear that organized crime may somehow infiltrate a large, publicly traded company is perpetuated by present and former law enforcement officials, and others who, although well-meaning, simply refuse to re-evaluate long held beliefs. These beliefs are simply and mistakenly out of date and out of touch with modern business and regulatory facts, and out of order in the legitimate capital markets that now finance gaming development. The combination of "history and Hollywood imagery," as it was referred to by Mr. Margolis in his Chicago Report, must be met with the current reality. The facts do not support the rhetoric.

III. THE COMPANY AND ITS COMMITMENT

Mirage Resorts, Incorporated, a New York Stock Exchange company with 1.5 billion in assets, operates three different properties in Nevada and operated in New Jersey from 1980 to 1987. During the past year alone, Mirage Resorts, Incorporated has raised over \$470 million in equity and debt through such companies as Salomon Brothers, First Boston Corporation, Merrill Lynch, Donaldson, Lufkin, Jenrette (a subsidiary of The Equitable Life Insurance Company), Oppenheimer and Company, Wertheim Securities and Montgomery Securities. It has completed bank lines of credit aggregating \$130 million with The Long-Term Credit Bank of Japan, Ltd., Societe Generale, and the CIT Financial Group (a subsidiary of Chemical Bank) - three of the world's largest and strongest banks.

Before such public financings are consummated, the underwriters and their legal counsel engage in an intensive due diligence examination of the company's finances, senior personnel and operations.

In addition, the Nevada regulatory authorities must approve the public issuance of the debt or security; such approval requires full disclosure of all of the terms and conditions by the licensee, a hearing and a finding of propriety by the Gaming Control Board and the Nevada Gaming Commission.

These same authorities also require, by statute, an annual independent audit by a CPA firm and are permitted to audit the licensee and demand any records or statements from licensees and their employees at any time.

Between the scrutiny regularly received by the gaming industry from state regulators, independent public accountants, various federal law enforcement agencies, underwriters and the press, and the exacting oversight of Mirage Resorts due to its frequent applications and financings, a clear and undeniable record has been established presenting Mirage Resorts as an upstanding corporate citizen.

A. A BRIEF HISTORY OF MIRAGE RESORTS, INCORPORATED

Mirage Resorts, Incorporated was incorporated in Nevada and first licensed by the Nevada Gaming Commission in 1949 under the name, "Golden Nugget, Inc." It adopted its present name in June 1991. In 1950, the Company commenced active operations when it acquired a small casino in downtown Las Vegas from a Nevada partnership. The Company's common stock became publicly registered with the Securities and Exchange Commission in 1967, and since 1980, it has been traded on the New York Stock Exchange.

In August of 1973, Mr. Stephen A. Wynn acquired control of the Company and its small casino in downtown Las Vegas known as the "Golden Nugget". A major program was undertaken to upgrade the facility and enhance operating efficiency and Mr. Wynn instituted a series of new management controls. These efforts resulted in a 358% increase in the Company's pre-tax profits for 1974, from \$1.1 million in 1973 to \$4 million in 1974.

A hotel tower was added in May of 1977. The financing for this addition was made by a consortium of Las Vegas and Utah banks led by First Security Bank of Utah. This lead bank is the principal bank and source of financing for The Church of Jesus Christ, Latter Day Saints nationally. Due to this addition in 1978, the Company's pre-tax profits increased to \$7.7 million, nearly double the 1974 level.

The Company opened the Golden Nugget-Atlantic City in December 1980, at a cost of approximately \$140 million. In its first full year of operations, the facility generated operating revenues of \$183 million and operating profit of \$54 million.

The Golden Nugget-Atlantic City rapidly surpassed its competitors in other financial measures and in 1983 led the market with operating revenues of \$288 million and operating income net of depreciation of \$98 million.

In 1984, the Company expanded the Golden Nugget in Las Vegas utilizing \$55 million of public financed mortgage debt. In 1986, the Company utilized public financed mortgage debt of \$170 million to expand this property to its present size of 1900 rooms.

In 1986, the Company acquired 85 acres of land in the center of the Las Vegas Strip to serve as the site of a major new casino-hotel and destination resort called "The Mirage." Construction of The Mirage began in November 1987, the same year that the company sold the Golden Nugget-Atlantic City for approximately \$450 million.

The Mirage opened in November 1989 at a total construction cost of approximately \$620 million. The Mirage includes 3,049 hotel rooms and suites, a 95,500 square-foot casino, 82,000 square-feet of meeting, convention and banquet space and a host of other amenities and public areas, designed around a tropical theme. In 1990, its first full year of operations, this resort generated operating revenues of \$661 million and operating income net of depreciation in excess of \$151 million. In 1991, that figure grew to in excess of \$160 million.

While construction of The Mirage was proceeding, Mirage Resorts, Incorporated expanded into the Laughlin, Nevada gaming market in October of 1988, when it purchased an operating casino in that city from the Del Webb Corporation.

Currently, the Company is developing Treasure Island at The Mirage, a major new 3,000 room pirate-themed casino-hotel. Treasure Island will be located on an approximately 17-acre portion of the existing Mirage site. Construction of Treasure Island commenced on March 2, 1992 and the facility is expected to open in late 1992. The total cost of the project is anticipated to be approximately \$430 million. On March 25, 1992, Mirage Resorts completed a \$300 million public offering of first mortgage bonds secured by the Treasure Island Project.

B. MIRAGE RESORTS, INCORPORATED KEY PERSONNEL

In addition to the outside scrutiny supplied by regulators, accountants, underwriters and the press, Mirage Resorts, Incorporated has maintained a policy of hiring among its approximately 11,700 employees individuals whose expertise includes combating organized crime. Of course, all of these people have numerous other duties, but their unique backgrounds are an important corporate asset.

Since January of 1980, our Chief of Corporate Security has been James Powers, a 25-year veteran of the FBI, who was a Deputy Assistant Director at Bureau headquarters before becoming the Special Agent in Charge of the Las Vegas field office. Mr. Powers is assisted by a staff of six, all with federal, local and/or military investigative experience. The corporate security staff is separate from the security directors at each of the respective properties, which have a total compliment of 405 investigators, guards and surveillance personnel.

While Mirage Resorts, Incorporated operated in New Jersey, the Chief of Security was Sabino Carone, a retired FBI agent who possessed extensive knowledge of organized crime. Mr. Carone was considered a leading authority on East Coast mafia activity. He was assisted by Jack Tuttle, a veteran of the Newark, New Jersey FBI office, who spent a major portion of his career investigating organized crime cases. Hotel security in New Jersey was handled by Joe Petuskey, a retired captain with the New Jersey State Police.

Al Luciani, a former Deputy Director of the New Jersey Division of Criminal Justice, also worked for the Company in New Jersey in a variety of positions, and Marilu Marshall, former Special Attorney, Organized Crime Strike Force, U.S. Department of Justice, was General Counsel.

Currently in Las Vegas, in addition to Mr. Powers, the company employs James Ritchie, former Executive Director of the Presidential Commission on the Review of the National Policy Toward Gaming. Mr. Ritchie has also served as a trial attorney for the Organized Crime and Racketeering Section, U.S. Department of Justice and as Attorney-in-Charge of the Detroit Strike Force and subsequently of the San Francisco Strike Force. While serving as a Brigadier General, Mr. Ritchie was an Assistant Judge Advocate General, U.S. Army Reserve.

The Company maintains a close working relationship with Stanley Hunterton. Mr. Hunterton prosecuted organized crime cases relating to casinos in both Detroit and Las Vegas with the U.S. Justice Department, Organized Crime Strike Forces in those cities. Before going into private practice, Mr. Hunterton was also the Deputy Chief Counsel to the President's Commission on Organized Crime, where he worked on issues involving the mafia, emerging organized crime groups and money laundering.

IV. CONCLUSION

States and communities which are considering casino gaming as a means to generate economic development must address the issue whether they can regulate and control gaming.

A cooperative effort among and between dedicated government, responsible public corporations -- with gaming experience and proven records of adherence to regulatory requirements and responsibilities in other jurisdictions, and an enlightened citizenry can settle and dispose of the legitimate social concerns about criminal influence in or over a legal gaming industry. Settlement of this issue yet requires such states and communities to examine and decide other social considerations before the beneficial economic impact of gaming is finally measured. However, these states and communities need have no fear that they will lack the ability to enforce the will of the public to exclude the influence of criminal elements from the ownership, operation, and financial or other control of casino gaming.

The effect on organized crime of such vigilant and vigorous action by law enforcement acting on behalf of the greater public good is demonstrated in the decisive victories that have been registered against organized crime during the past twenty years. Casinos are but one field of enterprise in which organized crime has felt the weight of decisive action by the Congress, by law enforcement, by state regulators, and private enterprise. These actions have substantially eradicated the presence of traditional organized crime in many industries and related fields, and have marked them as being off limits to organized crime.

Casino gaming is a notable success story in this regard. A high, impenetrable barrier of public regulatory control, reinforced by diligent private sector awareness and cooperation, makes the issue of organized crime a matter of history for the gaming industry that need not threaten the present integrity of gaming or gaming regulation.

A D D E N D U M

REGULATING CASINOS:

A SUMMARY OF THE NEVADA AND NEW JERSEY SYSTEMS

OCTOBER 16, 1992

Rev. 10/27/92

FISA
2-1-93
4-14

REGULATING CASINOS

In determining the viability of casino gaming as a means to spur economic development, a first consideration must be the interested jurisdiction's ability to organize and carry out a system of public gaming regulation that can and will assure the economic and social objective of the policies that underlie the decision to permit gaming.

Yet jurisdictions without the experience of legal commercial gaming necessarily lack knowledge and expertise. Just as a majority of Americans probably have never been to a casino, public officials in nongaming states frequently lack detailed knowledge of how casinos are operated and regulated. As they examine the issue they will find that gaming regulation rests on a solid, well planned, tested foundation.

The foundation of sound gaming regulatory policy:

- Measures the people who operate or would operate gaming, weighing their suitability on a scale balanced by high public expectations for personal and business integrity;

- Assures the integrity and fairness of the games and of the accurate accounting and reporting of the revenues that gaming generates; and

- Establishes a process for official public notice and action to bar notorious and unsavory members of the public from entering gaming establishments for any purpose.

Accordingly, a community may well decide that casino gaming is in its economic interest if the community believes it has the ability to put in place a system of regulation that assures only suitable persons operate a casino; the games in a casino operate honestly; that gaming revenues devoted to whatever public purpose the community assigns them are accurately counted and verified; and that regulators can scrutinize and bar undesirable members of the public from access to gaming. On the other hand, if a community doubts it can achieve these central elements of regulatory policy, no level of economic benefit should overcome those concerns or is likely to do so.

The three-pronged approach to gaming regulatory policy, prequalification for integrity, revenue accountability, and scrutiny of the public, has been developed fully in two U.S. jurisdictions, Nevada and New Jersey. In both states mature, tested regulatory systems provide:

- Strict licensing provisions to ensure that only suitable persons are permitted to invest in or operate a casino;

- Comprehensive internal and external regulatory controls that ensure integrity of the games and the proper accounting of all revenues; and

- Systems by which regulators identify and take public action to give private operators a basis on which to ban notorious persons from gaming premises.

Nevada, with 60 years of experience, and New Jersey, with 15 years of experience, provide excellent benchmarks to evaluate and judge the success of gaming control systems founded on the three-prongs of regulatory purpose described above.

In the case of both states and in others where a strong tripartite regulatory structure is in place, casinos have kept their promise to deliver substantial private and public economic benefits.

A. THE NEVADA REGULATORY SYSTEM

The anti-organized crime effort started in Nevada in 1959, with the passage of the Gaming Control Act. The Nevada Act has evolved in breadth and sophistication in order to meet the challenges of licensing and regulatory issues. The focal point of the Nevada system is strict licensing standards to ensure, to the extent possible, that only suitable people are allowed to become involved in the ownership and operation of licensed gaming establishments. This, all experts agree, is the best defense against any organized crime influence.

These licensing and regulatory responsibilities are carried out at the State level through a two-tier system consisting of the State Gaming Control Board and the Nevada Gaming Commission. The Board acts as the investigative and enforcement arm of the Commission, while the Commission takes all final action on licensing, tax and disciplinary matters. The Nevada Legislature has vested the Board and Commission with almost unfettered discretion in carrying out the purposes of the Nevada Act, including the authority to close or take over a casino. The courts of the State do not have jurisdiction to review the Commission's decisions on licensure.

Under the Nevada Act, the burden to prove qualification for licensure is on the applicant at all times. The applicant must complete a personal history record which calls for detailed information, including disclosure of arrests, detentions, convictions and instances where the applicant may have been questioned by law enforcement authorities. The form also requires disclosure of any felony convictions of members of the applicant's (or spouse's) family. The personal financial questionnaire requires detailed disclosure of assets and liabilities. The Board and its staff perform a thorough background and financial investigation at the expense of the applicant. Upon the completion of the investigation, the applicant is considered by the Board at a public meeting and a recommending vote is made to the Commission.

If the recommendation of the Board is to deny the application, only a unanimous vote of the five-member Commission at a public meeting can overturn the recommendation. The Commission can deny any application for any cause it deems reasonable. It may also grant an application with conditions or limitations. Nevada Revised Statutes 463.170, 463.220.

The Nevada Act requires the licensure of virtually all persons who have an ownership interest in privately owned gaming enterprises, subject only to certain limited exceptions. Shareholders, officers, directors, partners, limited partners, trustees and beneficiaries of trusts must be licensed. The Commission also has the authority to require any person or enterprise associated with a licensed gaming operation to be licensed or found suitable. This includes key employees, lenders, landlords and even persons who simply conduct their non-gaming businesses on the premises of a licensed gaming establishment, such as persons who lease space to operate a gift shop or dress store. In addition, all gaming employees must obtain a work permit from local authorities, subject to the Board's right to object to its issuance.

The Nevada Act treats publicly traded corporations with equal rigor by requiring the licensure of controlling shareholders and officers, directors and key employees who are actively and directly engaged in the activities of the subsidiary that holds a gaming license. Beneficial owners of more than 10% of the voting securities of the publicly traded corporation must report such acquisition to the Board and file applications for licensure within 30 days of being so notified by the Board Chairman and beneficial owners of more than 5% of the voting securities must file a report of their acquisition with the Board. This approach toward publicly traded corporations has contributed to the credibility of the Nevada gaming industry in the financial markets and to the industry's ability to attract large amounts of capital from reputable investors and financial institutions, none of whom can acquire control of a publicly traded corporation without obtaining the prior approval of the Commission.

FVSA
2.1.93
4-17

The Nevada Act includes reporting requirements for labor organizations and gives the Commission authority to disqualify labor officials under certain circumstances. The Commission also has authority to place persons of notorious reputation on Nevada's list of excluded persons (commonly referred to as the "Black Book") and to bar their access to licensed gaming establishments. The "Black Book" has proven to be an effective tool in identifying and barring a limited number of notorious individuals from even being on the premises of a licensed gaming establishment. Criminal penalties are provided for excluded persons who enter the premises of a licensed gaming establishment and licensees who fail to exclude or eject such persons from their premises are subject to disciplinary action by the Commission. Nevada Revised Statutes 463.154 - 463.155.

Pursuant to an agreement with the United States Department of Treasury, the Commission has adopted strict regulatory requirements for the reporting of cash transactions, designed to prevent "money laundering". Nonrestricted licensees are also required to adopt a system of internal controls which must conform to strict guidelines established by the Board. The system of internal controls is designed to ensure that assets are safeguarded, financial records are accurate and reliable, transactions are performed only in accordance with management's general or specific authorization, and transactions are recorded adequately for proper reporting of gaming revenues and payment of fees and taxes. Regulation 6. The Board performs audits designed to ensure proper payment of fees and taxes and compliance with regulations and the system of internal controls.

Violations of the Nevada Act can result in disciplinary action brought by the Board. The Commission has the authority to revoke, limit or condition licenses upon completion of the disciplinary procedures and may impose substantial fines as well. Fines of up to \$100,000 for each separate violation which is the subject of an initial complaint may be imposed. Fines of up to \$250,000 for each separate violation which is the subject of a subsequent complaint may be imposed. Fines for each separate violation of cash transaction reporting requirements set forth in Regulation 6A must be between \$10,000 and \$250,000.

It is a felony to violate certain provisions of the Nevada Act, including willful failure to pay or truthfully account for license fees or taxes, failure to obtain required licenses to conduct gaming operations or share in gaming revenues and willful violation of cash transaction reporting requirements. Cheating at gambling is also a felony.

FV SA
2-1-98
4-18

The strict licensing and reporting requirements of the Nevada Act ensure, to the maximum extent possible, that unsuitable persons will not become involved in gaming operations and that licensees conduct their businesses in strict accordance with legal requirements. The Nevada Act provides the Board and Commission with the tools to effectively combat hidden ownership and the presence of unsuitable persons in the gaming industry.

B. THE NEW JERSEY REGULATORY SYSTEM

When New Jersey legalized gaming in 1976, the state was acutely sensitive to the issue of criminal influence. The state already had on its books powerful tools to combat the underworld, including a state wiretap statute, a state grand jury system, and a State Commission of Investigation. The casino law established sweeping power and authority for the state to investigate and reject anyone who seeks to own, operate, invest in, lend or lease to, work for, or sell to a licensed New Jersey casino.

In fact, there is even a provision of the law that permits the gaming authorities to ban undesirable persons from the casinos merely as patrons, and they have used it many times to ban such persons on the mere allegation that they have criminal ties. In making these judgments, the public regulators are permitted by the New Jersey Act to rely on types of evidence that would not be permitted in the courts of law of the state. Reliance on such permissive standards of evidence is a delicate matter in a democratic society like the United States, but it has withstood scrutiny by the courts because of the singular public interest in assuring the integrity of gaming.

The New Jersey gaming regulatory system is contained within the New Jersey Casino Control Act, N.J.S.A. 5:12-1 et seq., (the Act). The law is based on a single overriding principle: The gaming industry must be protected from the intrusion or involvement in any way of organized crime or any other corrupt or illegal force or influence. The watchword of the regulatory system is integrity.

Two agencies enforce and administer the Act. The Casino Control Commission (the Commission) is an autonomous five member, full-time administrative body served by independent counsel. The Division of Gaming Enforcement (the Division) under the Attorney General is a full-fledged law enforcement agency with the power of subpoena and with authority to conduct warrantless searches and seizures of evidence in casino hotels.

EX-5A
2-173
1/-17

The Division investigates and enforces the Act. The Commission judges the findings of the Division, issues, denies or revokes licenses as applicable, hears and decides all other matters under the Act including violation charges brought by the Division and sets the rules and regulations governing all aspects of legal gaming. The traditional civil standards of clear and convincing evidence and a preponderance of the evidence are augmented by unique evidential standards set down in the Act. They are used by the Commission to render decisions at the conclusion of hearings in which all parties are afforded full civil hearing rights under the Act and under the New Jersey Administrative Procedures Act.

All persons and business entities engaged in legal gaming must be licensed or qualified and are subject to investigation and disclosure concerning criminal histories, financial backgrounds, and associations. Any person or business doing business with a licensed casino must submit to a casino vendor licensing when required.

A casino license is issued for the business entity which will operate a casino. Parent and related business entities, and all officers and directors of the operating parent or related companies, partnerships, etc. must qualify, as must project financial sources and lessors, if any. The standard for such qualification is that of the Casino Key Employee License, the most demanding in the Act. When casinos are owned and operated by public corporations, public shareholders are also subject to scrutiny at the discretion of the regulators. Casino licenses are issued for a term of one year, subject to biennial renewal after the third consecutive annual renewal, and may be revoked by the Commission. The Commission has the power to appoint a conservator to preserve a casino hotel's assets and operations in the event it revokes an operator's license.

The Casino Key Employee License is reserved for statutorily defined employees of the licensed gaming operator and for the qualification of the officers, directors and significant securities holders.

The Casino Employee License is issued to all other gaming related employees under job categories and titles specifically identified by statute.

Regular periodic renewal terms for all categories of licenses assure a constant cycle in which qualifications are tested and retested against the demanding requirements of the Act.

Casinos maintain detailed internal and accounting controls to assure an honest count. Similarly detailed operating controls are imposed to assure the integrity of the games.

The Act mandates extensive internal, accounting and operating controls governing such aspects of the gaming business as the rules and management of games and gaming equipment, management of casino bank and cashier functions, transfers of cash and cash equivalents, and design, use and disposal of gaming equipment, to name a few.

Gaming control has been called a system of people watching people. The internal, accounting and operating controls of New Jersey casinos which are mandated by the Act establish the ground rules under which people watch people. As a result, during the past 14 years in New Jersey, the gaming industry has made an honest count of more than \$27 billion in gaming revenue on which it has made verified, audited payment of more than \$2.2 billion in taxes to the State.

The Act established the authority of the Commission to exclude individuals from casinos if the Commission finds that their presence would be inimical to the policy of the state and the integrity of gaming. Under this authority, the Commission has barred more than 150 persons based on evidence that they have cheated in casinos or that they are members or associates of organized crime or have criminal backgrounds that make them a threat to the industry and to the public interest in gaming regulation.

Such persons are afforded notice of possibility that they may be excluded and are given the right to a hearing. Casinos may be subject to the filing of charges against them if they knowingly permit an excluded person on their premises.

C. SEE ALSO, "A SUMMARY OF THE NEVADA GAMING CONTROL ACT, October 1, 1992, prepared by John A. Godfrey, Esq., Schreck, Jones, Bernard, Woloson and Godfrey, Las Vegas, Nevada.

Testimony on SCR 1608
Joint House and Senate Committee
on
Federal and State Affairs

Dave Schneider
Kansans For Life At Its Best

February 1, 1993

To the Co-Chairs and Members of the Joint Committee:

Kansans For Life At Its Best is opposed to this proposed constitutional amendment. Here are some of the reasons for our opposition:

1. Among the copies attached to this testimony you will find a "List of Amendments and Proposed Amendments to the Kansas Constitution." Of the 119 amendments to have previously graced a ballot, not one of them has ever proposed to afford a privileged competitive position to a private sector corporation. Never before in the history of Kansas has a legislature put forward for a vote of the people a constitutional proposition that would afford a "Most Favored Corporation Status". (And this for an out of state corporation!)

Framed in the above terms, one wonders what percentage of voters would respond positively to the question:

In next January's legislative session, a proposal will be considered to put a referendum on the ballot, asking the voters to grant, via an amendment to the constitution of the state, a privileged competitive position to a private sector corporation from out of state. From what you have heard about it, do you feel legislators should decide for themselves about giving such a privileged position to an out of state corporation, or do you feel that legislators should refer this to the ballot, so that voters can decide on this issue?

2. Also among the attached is part of a chapter from a recently published book titled Temples of Chance, by David Johnston. You will note we have no evidence Mr. Johnston is either a writer of science fiction or a regular contributor to the supermarket tabloids. In light of his credentials as a bona fide and respected journalist, the committee ought to give serious consideration to an investigation of the matters contained in the chapter. I suggest since the Mirage is in the position of the entity asking for the special constitutional favor, they would be glad to submit to the following requests and present, for the committee's unhurried perusal, copies of pertinent documents.

a. Please explain the matters touched upon concerning the Golden Nugget/Mirage in the book, Temples of Chance. Please submit multiple copies of any pertinent internal documents and court proceedings.

b. Please submit to the committee, along with a detailed explanation of each incident, a list, certified in writing by the appropriate regulatory officials in Nevada or New Jersey, of any violations of any statutes, rules or regulations pertaining to casino gambling in the states of Nevada and New Jersey.

c. What has been the nature of the Golden Nugget/Mirage's relationship with Michael Milken?

I do not make the above suggestions lightly. The matters Mr. Johnston raises are serious ones and ought to be investigated as to their truth or falsity. Before the Mirage is granted "Most Favored Corporation Status" we ought to know if it is worthy of that most unprecedented honor.

3. Finally, the last sheet is also taken from Mr. Johnston's book and mentions some activities of a fraternal order approximately an hour east of here. I suggest the K.B.I. be questioned as to whether this group continues to be active and the potential for their involvement either directly or indirectly in casino gambling.

List of Amendments and Proposed Amendments to the Kansas Constitution

Revisor's Note:

The original constitution was ratified or adopted October 4, 1859, by a vote of 10,421 for and 5,530 against (see, Kansas: A History of the Jayhawk State, p. 86 et seq.).

YEAR	SUBJECT	ART.	SEC.
1861.	Relating to the denomination of circulating notes that may be issued by a banking institution. L. 1861, ch. 16. Adopted Nov. 5, 1861: For, 3,733; against, 3,343.....	13	7
1864.	Providing that bills may originate in either house. L. 1864, ch. 46. Adopted Nov. 8, 1864: For, 8,708; against, 626.....	2	12
1864.	Assuring soldiers, sailors and marines the right of suffrage. L. 1864, ch. 45. Adopted Nov. 8, 1864: For, 10,756; against, 329.....	5	3
1867.	Denying the right of suffrage to certain persons. C. S. 1868, p. 64. Adopted Nov. 5, 1867: For, 16,860; against, 12,165.....	5	2
1867.	A proposition to eliminate the word "male" from the clause defining the qualifications of an elector. (To amend sec. 1, art. 5.) Rejected Nov. 5, 1867: For, 9,070; against, 19,857.....	5	1
1867.	A proposition to eliminate the word "white" from the clause defining the qualifications of an elector. (To amend sec. 1, art. 5.) Rejected Nov. 5, 1867: For, 10,483; against, 19,421.....	5	1
1868	Providing for the election of the state printer by the legislature. 1868 Senate Journal p. 336. Adopted Nov. 3, 1868: For, 13,471; against, 5,415.....	15	4
1873.	Increasing and limiting the number of state senators and representatives. L. 1873, ch. 134. Adopted Nov. 4, 1873: For, 32,244; against, 29,189...	2	2
1875.	Changing regular legislative sessions from annual to biennial. L. 1875, ch. 140. Adopted Nov. 2, 1875: For, 43,320; against, 15,478.....	2	25
1875.	Fixing the terms of office of members of the legislature. L. 1875, ch. 140. Adopted Nov. 2, 1875; For, 42,724; against, 15,509.....	2	29
1875.	Authorizing the legislature to make biennial tax levy. L. 1875, ch. 140. Adopted Nov. 2, 1875: For, 43,052; against, 15,293.....	11	4
1876.	Fixing the terms of office for county officers. L. 1876, ch. 129. Adopted Nov. 7, 1876: For, 93,138; against, 1,985.....	9	3
1876.	Providing that no money be drawn from the state treasury except by appropriation, and limiting time for which appropriations may be made to two years. L. 1876, ch. 129. Adopted Nov. 7, 1876: For, 95,430; against, 1,768.....	2	24
1879.	The prohibitory amendment. (Relating to the manufacture and sale of intoxicating liquors.) L. 1879, ch. 165. Adopted Nov. 2, 1880: For, 92,302; against, 84,304.....	15	10
1879.	A proposition to call a convention to revise the Constitution. L. 1879, ch. 163. Rejected Nov. 2, 1880: For, 22,870; against, 146,279		
1879.	A proposition to strike out the clause exempting two hundred dollars personal property from taxation. (To amend sec. 1, art. 11.) L. 1879, ch. 164. Rejected Nov. 2, 1880: For, 38,442; against, 140,120.....	11	1

F. 5A
2-1-93
5-4

AMENDMENTS AND PROPOSED AMENDMENTS TO THE KANSAS CONSTITUTION

YEAR	SUBJECT	ART.	SEC.
1885.	A proposition to increase the membership of the supreme court. (To strike out sec. 2, art. 3, and amend sec. 13, art. 3.) L. 1885 p. 327; H. Jt. Res. No. 4. Rejected Nov. 2, 1886: For, 81,788; against, 132,535	3	13
1887.	Relating to the militia and to strike out the word "white." L. 1887, p. 339; S. Jt. Res. No. 2. Adopted Nov. 6, 1888; For, 223,474; against, 22,251	8	1
1887.	Concerning the property rights of citizens and aliens. Bill of Rights. L. 1887, p. 340; S. Jt. Res. No. 6. Adopted Nov. 6, 1888: For, 220,419; against, 16,611		17
1889.	A proposition to change the limit of legislative sessions to 90 days, and the time of beginning to the first Tuesday in December. (To amend secs. 3 and 25, art. 2.) L. 1889, p. 418; H. Jt. Res. No. 5. Rejected Nov. 4, 1890: For, 52,463; against, 140,041	2	25
1889.	A proposition to change the number of justices of the supreme court, and relating to their terms of office. (To amend secs. 2 and 13, art. 3.) L. 1889, p. 419; H. Jt. Res. No. 8. Rejected Nov. 4, 1890: For, 66,601; against, 121,636	3	13
1891.	A proposition for a convention to revise, amend or change the constitution. L. 1891, p. 413; S. Jt. Res. No. 1. Rejected Nov. 8, 1892: For, 118,491; against, 118,957		
1893.	A proposition to establish equal suffrage. L. 1893, p. 274; S. Jt. Res. Nos. 1 and 2. Rejected Nov. 6, 1894: For, 95,302; against, 130,139		
1899.	Relating to the supreme court, and increasing the number of justices. L. 1899, ch. 314; H. Jt. Res. No. 4. Adopted Nov. 6, 1900: For, 123,721; against, 35,474	3	2
1901.	A proposition to change the amount of compensation of members of the legislature. L. 1901, ch. 423; H. Con. Res. No. 21. Rejected Nov. 4, 1902: For, 92,090; against, 140,768		
1901.	Changing general elections from annual to biennial. L. 1901, ch. 424; S. Con. Res. No. 5. Adopted Nov. 4, 1902; For, 144,776; against, 78,190 ..	4	2
1903.	Relating to the signing of bills passed by the legislature, and to the veto power of the governor; authorizing the governor to veto parts of appropriation bills. L. 1903, ch. 545; H. Con. Res. No. 6. Adopted Nov. 8, 1904: For, 162,057; against, 60,148	2	14
1903.	Providing for the election of the state printer by the people. L. 1905, ch. 545; S. Con. Res. No. 20, 1903. Adopted Nov. 8, 1904: For, 169,620; against, 52,363	15	4
1905.	Concerning the individual liability of stockholders of corporations. L. 1905, ch. 542; H. Con. Res. No. 13. Adopted Nov. 6, 1906: For, 110,266; against, 67,409	12	2
1905.	Relating to the application of general laws, and to the enactment of special laws. L. 1905, ch. 543; H. Con. Res. No. 7. Adopted Nov. 6, 1906. For, 110,021; against 63,485	2	17
1905.	Concerning the probate court in each county, and providing for a judge pro tem. L. 1905, ch. 544; S. Con. Res. No. 13. Adopted Nov. 6, 1906: For, 107,974; against, 70,730	3	8
1907.	A proposition to change the amount of compensation of members of the legislature. L. 1907, ch. 431; H. Con. Res. No. 2a. Rejected Nov. 3, 1908: For, 104,554; against, 150,576		
1907.	Relative to the disqualification of judges to hold certain offices. (Proposing to amend sec. 13, art. 3.) L. 1907, ch. 432; S. Con. Res. No. 11. Rejected Nov. 3, 1908: For, 102,156; against, 135,745		

FCSA
2-1-93
5-5

AMENDMENTS AND PROPOSED AMENDMENTS TO THE KANSAS CONSTITUTION

YEAR	SUBJECT	ART.	SEC.
1909.	A proposition to change the amount of compensation of members of the legislature. (To amend sec. 3, art. 2.) L. 1909, ch. 271; Sub. S. Con. Res. No. 5. Rejected Nov. 8, 1910: For, 91,894; against, 181,970.		
1911.	Relating to equal suffrage, granting equal rights and privileges to women. L. 1911, ch. 337; H. Con. Res. No. 3. Adopted Nov. 5, 1912: For, 175,246; against, 159,197	5	8
1913.	A proposition to amend sections 1 and 2 of article 11, relative to finance and taxation. L. 1913, ch. 335; S. Con. Res. No. 4. Rejected Nov. 3, 1914: For, 156,969; against, 166,800.		
1913.	Providing for the recall of public officers. L. 1913, ch. 336; H. Con. Res. No. 4. Adopted Nov. 3, 1914: For, 240,240; against, 135,630	4	3-5
1917.	Authorizing the legislature to levy a permanent tax for the support of the state educational institutions. L. 1917, ch. 352; S. Con. Res. No. 15. Adopted Nov. 5, 1918: For, 234,858; against, 101,569	6	10
1917.	Relative to the right of suffrage. (Allowing only citizens of the United States to vote.) L. 1917, ch. 353; S. Con. Res. No. 18. Adopted Nov. 5, 1918: For, 238,453; against, 91,617	5	1
1919.	A proposition for a new amendment to the constitution to be known as section 11, article 15, relating to state aid in the purchase of farm homes. L. 1919, ch. 321; S. Con. Res. No. 25. Adopted Nov. 2, 1920: For, 223,499; against, 201,559	15	11
1919.	A proposition to amend section 8 of article 11 of the constitution, to be known as the good roads amendment. L. 1919, ch. 331; S. Sub. for H. Con. Res. No. 23. Adopted Nov. 2, 1920: For, 264,689; against, 193,347	11	9
1919.	A proposition to amend sections 1 and 2 of article 11 of the constitution, relative to finance and taxation. L. 1919, ch. 335; H. Con. Res. No. 37. Rejected Nov. 2, 1920: For, 170,710; against, 218,931	11	2
1921.	A proposition for a bond issue for compensation for veterans of the World War, entitled "An act relating to compensation for veterans of the World War." L. 1921, ch. 255; H.B. No. 441. Adopted Nov. 7, 1922: For, 375,015; against, 148,898.		
1923.	A proposition for a bond issue, entitled "An act relating to compensation for veterans of the war with Spain, the Philippine insurrection and the China relief expedition." L. 1923, ch. 211; S.B. No. 559. Rejected Nov. 4, 1924: For, 250,282; against, 255,940.		
1923.	A proposition to amend sections 1 and 2 of article 11, relative to finance and taxation. L. 1923, ch. 255; H.C.R. No. 18. Adopted Nov. 4, 1924: For, 250,813; against, 196,852	11	1
1925.	A proposition to amend section 3 of article 2, relative to compensation of members of the legislature. L. 1925, ch. 192; H.C.R. No. 26. Rejected Nov. 2, 1926: For, 162,815; against, 221,287.	2	3
1928.	A proposition to amend section 8 (renumbered as 9) of article 11, of the constitution, relating to the adoption, construction, reconstruction and maintenance of a state system of highways. L. 1928, Special Session, ch. 3; S.C.R. No. 3. Adopted Nov. 6, 1928; For, 493,989; against, 117,596	11	9
1928.	A proposition to amend article 11, by adding a section 9 (renumbered as 10) thereto, relating to special road taxes on motor vehicles and motor fuels. L. 1928, Special Session, ch. 4, S.C.R. No. 4. Adopted Nov. 6, 1928: For, 444,806; against, 136,719	11	10

F-3A
2-1-93
5-6

AMENDMENTS AND PROPOSED AMENDMENTS TO THE KANSAS CONSTITUTION

YEAR	SUBJECT	ART.	SEC.
1929.	A proposition to amend article 11 by adding a new section thereto, relating to an income tax. L. 1929, ch. 281; S.C.R. No. 8. Rejected Nov. 4, 1930: For, 228,175; against, 263,600	11	
1929.	A proposition to amend section 3, article 2, relating to compensation of members of the legislature. L. 1929, ch. 207; S.C.R. No. 9. Rejected Nov. 4, 1930: For, 132,002; against, 325,008	2	3
1931.	A proposition to amend section 2 of article 4 of the state constitution by eliminating therefrom the words "sheriff or county treasurer." L. 1931, ch. 155; H.C.R. No. 14. Rejected Nov. 8, 1932: For, 193,031; against, 483,656	4	2
1931.	A proposition to amend article 11 of the constitution of the state of Kansas by adding a section thereto, relating to an income tax. L. 1931, ch. 300; H.C.R. No. 21. Adopted Nov. 8, 1932: For, 389,145; against, 283,148...	11	2
1931.	A proposition to amend article 11 of the constitution of the state of Kansas by adding a section thereto, relating to tax limitation. L. 1931, ch. 301; H.C.R. No. 24. Rejected Nov. 8, 1932: For, 297,202; against, 349,328 ..	11	
1933.	A proposition to repeal section 10 of article 15 of the constitution of the state of Kansas and to add a new section relating to alcoholic liquor. L. 1933, ch. 128 (Special Session); H.C.R. No. 14. Rejected Nov. 6, 1934: For, 347,644; against, 436,688.	15	10
1936.	A proposition to amend section 4 of article 7 of the constitution of the state of Kansas, relating to the relief of aged and infirm persons. L. 1936, ch. 4; S.C.R. No. 3. Adopted Nov. 3, 1936: For, 490,176; against, 172,473	7	4
1936.	A proposition to amend article 7 of the constitution of the state of Kansas by adding a section thereto, relating to unemployment compensation and old-age benefits. L. 1936, ch. 5; S.C.R. No. 4. Adopted Nov. 3, 1936: For, 532,042; against, 179,582	7	5
1939.	A proposition to amend section 2, article 15 of the constitution of the state of Kansas, relating to civil service. L. 1939, ch. 188; H.C.R. No. 23. Adopted Nov. 5, 1940: For, 428,739; against, 241,582	15	2
1943.	A proposition to amend section 9, article 15 of the constitution of the state of Kansas, relating to homesteads. L. 1943, ch. 161; S.C.R. No. 12. Adopted Nov. 7, 1944: For, 334,014; against, 115,502	15	9
1945.	A proposition to amend section 9, article 2 of the constitution of the state of Kansas, relating to vacancies in the legislature. L. 1945, ch. 200; H.C.R. No. 8. Adopted Nov. 5, 1946: For, 285,349; against, 132,187	2	9
1947.	A proposition to amend section 10, article 15 of the constitution of the state of Kansas, relating to intoxicating liquors. L. 1947, ch. 248; H.C.R. No. 2. Adopted Nov. 2, 1948: For, 422,294; against, 358,310	15	10
1947.	A proposition to amend section 13, article 3 of the constitution of the state of Kansas, relating to the compensation of justices of the supreme court and judges of the district courts of the state of Kansas. L. 1947, ch. 249; S.C.R. No. 6. Adopted Nov. 2, 1948: For, 369,921; against, 240,806.....	3	13
1947.	A proposition to amend section 3, article 2 of the constitution of the state of Kansas, relating to compensation and expenses of members of the legislature. L. 1947, ch. 250; S.C.R. No. 9. Adopted Nov. 2, 1948: For, 360,477; against, 263,285	2	3
1951.	A proposition to amend article 7, of the constitution of the state of Kansas by adding a new section thereto, relating to a permanent income for certain state institutions. L. 1951, ch. 267; S.C.R. No. 10. Adopted Nov. 4, 1952; For, 524,287; against, 263,741	7	6

AMENDMENTS AND PROPOSED AMENDMENTS TO THE KANSAS CONSTITUTION

YEAR	SUBJECT	ART.	SEC.
1951.	A proposition to amend section 2, article 4 of the constitution of the state of Kansas relative to the tenure of office of sheriffs and county treasurers. L. 1951, ch. 266; H.C.R. No. 6. Not submitted at the 1952 general election, see 173 K. 403.....	4	2
1953.	A proposition to amend section 2 of article 4 of the constitution of the state of Kansas relative to the tenure of office of sheriffs and county treasurers. 1953 H.C.R. No. 3; 1953 House Journal p. 41. Subsection 2(a) rejected Nov. 2, 1954: For, 203,661; against, 362,407. Subsection 2(b) rejected Nov. 2, 1954: For, 191,006; against, 346,657	4	2
1953.	A proposition to amend section 25 of article 2 of the constitution of the state of Kansas, relating to sessions of the legislature. S.C.R. No. 1. Adopted Nov. 2, 1954. For, 310,059; against, 141,022	2	25
1953.	A proposition to amend section 17 of article 2 of the constitution of the state of Kansas, relating to operation of general and special laws. S.C.R. No. 13. Adopted Nov. 2, 1954. For, 265,017; against, 169,647.....	2	17
1955.	A proposition to amend section 1 of article 11 of the constitution of the state of Kansas relating to the system of taxation. H.C.R. No. 10. Rejected Nov. 6, 1956: For, 284,327; against, 474,310.....	11	1
1957.	A proposition to strike out sections 2, 5, 11 and 18 of article 3 of the constitution of the state of Kansas and to insert a new section 2 as to the selection, qualifications and tenure of justices of the supreme court. L. 1957, ch. 234; S.C.R. 4. Adopted Nov. 4, 1958: For, 280,159; against, 186,884	3	2
1957.	A proposition to amend section 9 of article 11 of the constitution of the state of Kansas as to the state being a party to flood control and water resource works. L. 1957, ch. 236; S.C.R. 8. Adopted Nov. 4, 1958: For, 361,848; against, 188,726.....	11	9
1957.	A proposition to amend article 15 of the constitution of the state of Kansas by adding a section relating to membership or nonmembership in labor organizations. L. 1957, ch. 235; H.C.R. 20. Adopted Nov. 4, 1958: For, 395,839; against, 307,176.....	15	12
1959.	A proposition to amend section 5 of article 12 of the constitution of the state of Kansas, relating to cities, and granting to cities powers of home rule. L. 1959, ch. 182; S.C.R. 15. Adopted Nov. 8, 1960; For, 346,739; against, 270,820	12	5
1959.	A proposition to amend article 15 of the constitution of the state of Kansas by adding a section relating to authorizing the legislature to provide for continuity of government. L. 1959, ch. 183; H.C.R. 11. Adopted Nov. 8, 1960: For, 448,613; against, 180,909	15	13
1960.	A proposition to amend section 3 of article 2 of the constitution of the state of Kansas, relating to compensation of members of the legislature. L. 1960, ch. 47 (Budget session); H.C.R. 5. Rejected Nov. 8, 1960; For, 275,205; against, 365,043.....	2	3
1961.	A proposition to amend section 3 of article 2 of the constitution of the state of Kansas, pertaining to compensation of members of the legislature. L. 1961, ch. 196; S.C.R. 31. Adopted Nov. 6, 1962: For, 275,549; against, 182,141	2	3
1962.	A proposition to amend section 1 of article 5 of the constitution of the state of Kansas, pertaining to qualifications of electors and changing residence requirements to permit certain electors to vote for presidential electors and candidates for president and vice-president. L. 1962, ch. 33; H.C.R. 2. Adopted Nov. 6, 1962: For, 393,008; against, 70,123	5	1

ExSA
2-1-73
5-8

AMENDMENTS AND PROPOSED AMENDMENTS TO THE KANSAS CONSTITUTION

YEAR	SUBJECT	ART.	SEC.
1963.	A proposition to amend section 1 of article 11 of the constitution of the state of Kansas, relating to taxation and providing for certain exemptions including household goods and personal effects. L. 1963, ch. 459; H.C.R. 4. Adopted Nov. 3, 1964: For, 474,273; against, 214,382	11	1
1964.	A proposition to amend section 2 of article 4 of the constitution of the state of Kansas, relating to tenure of the office of sheriff. L. 1964, ch. 24 (Budget session); H.C.R. 2. Adopted Nov. 3, 1964: For, 465,851; against, 178,232	4	2
1966.	A proposition to amend section 25 of article 2 of the constitution of the state of Kansas, relating to the legislature. L. 1966, ch. 7 (Special Session); H.C.R. 504. Adopted Nov. 8, 1966: For, 331,479; against, 168,382.....	2	25
1966.	A proposition to amend all of article 6 of the constitution of the state of Kansas, relating to education. L. 1966, ch. 10 (Special Session); H.C.R. 505. Adopted Nov. 8, 1966: For, 286,400; against, 211,027.....	6	
1966.	A proposition to amend article 11 of the constitution of the state of Kansas by adding a section relating to the taxation of income. L. 1966, ch. 14 (Special Session); S.C.R. 2. Adopted Nov. 8, 1966: For 252,731; against, 223,643	11	11
1968.	A proposition to amend section 2 of article 4 of the constitution of the state of Kansas, relating to general elections and the election of county and township officers. L. 1968, ch. 97; H.C.R. 1063. Adopted Nov. 5, 1968: For, 481,657; against, 142,078	4	2
1970.	A proposition to amend section 10 of article 15 of the constitution of the state of Kansas, relating to intoxicating liquors. L. 1969, ch. 241; L. 1970, ch. 189; S.C.R. 8. Rejected Nov. 3, 1970: For, 335,094; against, 346,423	15	10
1970.	A proposition to amend article 1 of the Kansas constitution, relating to the executive branch of government. L. 1970, ch. 347; H.C.R. 1026. Adopted Nov. 3, 1970: For, 310,340; against, 253,408. The Supreme Court of Kansas held this amendment improperly submitted, see Moore v. Shanahan, 207 K. 1.....	1	
1970.	A proposition to amend article 14 of the Kansas constitution, relating to constitutional amendment and revision. L. 1970, ch. 411; H.C.R. 1033. Adopted Nov. 3, 1970: For, 297, 221; against, 262,779	14	1,2
1971.	A proposition to amend section 1 of article 5 of the Kansas constitution, relating to qualifications of electors. L. 1971, ch. 351; S.C.R. 11. Adopted April 6, 1971: For, 261,557; against, 158,769.....	5	1
1972.	A proposition to repeal section 5 of article 5 of the Kansas constitution, relating to duelists. L. 1972, ch. 393; H.C.R. 1092. Adopted Aug. 1, 1972: For, 208,473; against, 108,090	5	5
1972.	A proposition to revise article 7 of the Kansas constitution, relating to certain public institutions and public welfare. L. 1972, ch. 394; H.C.R. 1094. Adopted Aug. 1, 1972; For 216,507; against, 95,884.....	7	
1972.	A proposition to repeal section 11 of article 15 of the Kansas constitution, relating to state aid in purchase of farm homes. L. 1972, ch. 396; H.C.R. 1096. Adopted Aug. 1, 1972: For, 177,802; against, 132,125.....	15	11
1972.	A proposition to repeal section 26 of article 2 of the Kansas constitution, relating to taking of census. L. 1972, ch. 391; H.C.R. 1097. Adopted Aug. 1, 1972: For, 178,071; against, 123,115	12	26
1972.	A proposition to repeal section 3 of article 10 of the Kansas constitution, relating to original apportionment of the legislature. L. 1972, ch. 395; H.C.R. 1098. Adopted Aug. 1, 1972: For, 187,140; against, 113,321	10	3

AMENDMENTS AND PROPOSED AMENDMENTS TO THE KANSAS CONSTITUTION

YEAR	SUBJECT	ART.	SEC.
1972.	A proposition to amend the Kansas constitution by revising article 1, relating to the executive branch of state government. L. 1972, ch. 390; S.C.R. 46. Adopted Nov. 7, 1972: For, 362,163; against, 235,850	1	
1972.	A proposition to amend section 12 of the bill of rights of the Kansas constitution, relating to the transportation of a person from the state for any offense committed within the state, and corruption of the blood. L. 1972, ch. 389; S.C.R. 75. Adopted Nov. 7, 1972: For, 366,207; against, 231,221		12
1972.	A proposition to amend the Kansas constitution by revising article 3, relating to the judiciary. L. 1972, ch. 392; H.C.R. 1018. Adopted Nov. 7, 1972: For, 349,264; against, 211,026	3	
1974.	A proposition to amend the Kansas constitution by revising article 5, relating to suffrage. L. 1974, ch. 462; S.C.R. 77. Adopted Aug. 6, 1974: For, 183,002; against, 85,796	5	
1974.	A proposition to amend section 2 of article 6 of the Kansas constitution, relating to the state board of education, the operation, supervision and control of community junior colleges and the state board of regents. L. 1974, ch. 465; S.C.R. 122. Rejected Aug. 6, 1974: For, 130,265; against, 141,492	6	2
1974.	A proposition to revise article 10 of the Kansas constitution, relating to apportionment of the legislature. L. 1974, ch. 457; H.C.R. 1059. Adopted Aug. 6, 1974: For, 137,290; against, 120,577	10	
1974.	A proposition to amend section 1 of article 11 of the Kansas constitution, relating to assessment and taxation. L. 1974, ch. 460; S.C.R. 3. Adopted Aug. 6, 1974: For, 183,759; against, 94,002	11	1
1974.	A proposition to repeal section 3 of article 12 of the Kansas constitution, relating to vesting of title to property owned by religious corporations in trustees elected by such corporations. L. 1974, ch. 456; H.C.R. 1006. Adopted Aug. 6, 1974: For, 135,550; against, 121,209	12	3
1974.	A proposition to amend article 15 of the Kansas constitution by adding a new section 3a thereto to permit the legislature to regulate, license and tax operation of games of "bingo" by certain organizations. L. 1974, ch. 461; S.C.R. 72. Adopted Nov. 5, 1974: For, 499,701; against, 210,052...	15	3a
1974.	A proposition to amend the Kansas constitution by revising article 4, relating to elections. L. 1974, ch. 463; S.C.R. 78. Adopted Nov. 5, 1974: For, 484,399; against, 131,159	4	
1974.	A proposition to repeal section 4 of article 15 of the Kansas constitution, relating to public printing and the state printer. L. 1974, ch. 464; S.C.R. 91. Adopted Nov. 5, 1974: For, 381,934; against, 218,382	15,4	
1974.	A proposition to revise article 2 of the Kansas constitution, relating to the legislature. L. 1974, ch. 458; H.C.R. 1060. Adopted Nov. 5, 1974: For, 341,392; against, 160,420	2	
1974.	A proposition to amend the Kansas constitution by adding a new section 26 to article 15, concerning oaths of state officers. L. 1974, ch. 459; H.C.R. 1064. Adopted Nov. 5, 1974: For, 490,029; against, 79,697	15	14
1975.	A proposition to amend article 11 of the Kansas constitution by adding a new section 12 thereto relating to assessment and taxation of land devoted to agricultural use. L. 1975, ch. 516; H.C.R. 2005. Adopted Nov. 2, 1976: For, 433,347; against, 343,259	11	12
1980.	A proposition to amend section 9 of article 11 of the Kansas Constitution, relating to works of internal improvements. L. 1980, ch. 350; S.C.R. 1669. Adopted Nov. 4, 1980: For, 513,971; against, 199,747	11	9

AMENDMENTS AND PROPOSED AMENDMENTS TO THE KANSAS CONSTITUTION

YEAR	SUBJECT	ART.	SEC.
1980.	A proposition to amend section 1 of article 14 of the Kansas Constitution, relating to amendment of the state constitution. L. 1980, ch. 355; S.C.R. 1652. Adopted Nov. 4, 1980; For, 488,357; against, 196,021	14	1
1980.	A proposition to revise article 13 of the Kansas Constitution, relating to banks and currency. L. 1980, ch. 356; S.C.R. 1655. Adopted Nov. 4, 1980; For, 582,367; against, 146,278	13	
1985.	A proposition to amend section 10 of article 15 of the constitution of the state of Kansas, relating to intoxicating liquors. L. 1985, ch. 360; S.C.R. 1605. Adopted Nov. 4, 1986; For, 489,646; against, 325,505	15	10
1985.	A proposition to amend section 1 of article 11 of the constitution of the state of Kansas, relating to the taxation of property. L. 1985, ch. 364; H.C.R. 5018. Adopted Nov. 4, 1986; For, 534,799; against, 253,123	11	1
1986.	A proposition to amend article 15 of the constitution of the state of Kansas by adding a new section thereto authorizing the legislature to provide for a state-owned and operated lottery. L. 1986, ch. 414; S.C.R. 1609. Adopted Nov. 4, 1986; For, 515,893; against, 291,411.....	15	3c
1986.	A proposition to amend the constitution of the state of Kansas by adding a new section thereto authorizing the legislature to permit, regulate, license and tax the operation or conduct of horse and dog racing by bona fide nonprofit organizations and parimutuel wagering thereon; and providing for county option thereon. L. 1986, ch. 416; H.C.R. 5024. Adopted Nov. 4, 1986; For, 483,944; against, 324,143	15	3b
1986.	A proposition to revise article 6 of the constitution of the state of Kansas, relating to education. L. 1986, ch. 417; H.C.R. 5028. Rejected Nov. 4, 1986; For, 365,235; against, 385,093	6	
1986.	A proposition to amend article 11 of the constitution of the state of Kansas by adding a new section thereto, relating to the exemption of property for economic development purposes. L. 1986, ch. 423; H.C.R. 5047. Adopted Aug. 5, 1986; For, 181,685; against, 171,166.....	11	13
1986.	A proposition to amend section 9 of article 11 of the constitution of the state of Kansas, relating to internal improvements. L. 1986, ch. 432; S.C.R. 1635. Adopted Aug. 5, 1986; For, 211,058; against, 141,600.....	11	9
1988.	A proposition to amend section 1 of article 10 of the constitution of the state of Kansas, relating to reapportionment of senatorial and representative districts. L. 1988, ch. 405; H.C.R. 5043, Adopted, Nov. 8, 1988; For, 451, 818; against, 260, 567 (unofficial).....	10	1

Str

I

II

III

IV.

Lotteries; Indian gaming regulating act. 91-119, 92-1.

CASE ANNOTATIONS

1. Amendment to Art. 11, § 1 of Kansas Constitution as self-executing relative to assessment and taxation of property noted. Colorado Interstate Gas Co. v. Board of Morton County Comm'rs, 247 K. 654, 659, 802 P.2d 584 (1990).

§ 6.

CASE ANNOTATIONS

30. Spouse obligated to pay other spouse's necessities, including medical services. St. Francis Regional Med. Center, Inc. v. Bowles, 16 K.A.2d 374, 375, 376, 823 P.2d 226 (1992).

§ 9.

Law Review and Bar Journal References:

"Exemption Laws in Kansas: Recent Amendments and Bankruptcy Estate Planning," Mark A. Andersen, 38 K.L.R. 143, 149 (1989).

"Divorce Law: Lis Pendens, Judgment Liens, Homestead Exemptions, and Bankruptcy," John C. Peck, Shala M. Bannister and W. Thomas Gilman, 60 J.K.B.A. No. 2, 25, 30 (1991).

CASE ANNOTATIONS

186. Proceeds from involuntary transfer of homestead pursuant to divorce exempt where debtor intended to invest in another homestead. In re Daniels, 65 B.R. 703, 706 (1986).

187. Sales tax lien held as attaching to real property which is subject to constitutional claim of homestead exemption. Homestead Land Title Co. v. United States, 249 K. 569, 819 P.2d 660 (1991).

188. No forfeiture of homestead upon drug conviction unless consent of both husband and wife. City of Garden City v. Lot Nine, Block Three, 16 K.A.2d 174, 819 P.2d 1250 (1991).

189. Homestead, establishment, occupancy, intent; debtor claimed 160 acres. In re Snook, 134 B.R. 424 (1991).

§ 10.

Attorney General's Opinions:

City election to permit or prohibit sale of liquor by the drink; city's authority to prevent licensure thereof. 91-91.

CASE ANNOTATIONS

26. Amendment to Art. 11, § 1 of Kansas Constitution as self-executing relative to assessment and taxation of property noted. Colorado Interstate Gas Co. v. Board of Morton County Comm'rs, 247 K. 654, 659, 802 P.2d 584 (1990).

§ 12.

Attorney General's Opinions:

Membership or nonmembership in labor organizations. 88-121.

Membership or nonmembership in labor organizations; representation fee; employer and employee relations; rights of employees. 92-42.

§ 15. Victims' rights. (a) Victims of crime, as defined by law, shall be entitled to certain basic rights, including the right to be informed of and to be present at public hearings, as defined by law, of the criminal justice process, and to be heard at sentencing or at any other time deemed appropriate by the court, to the extent that these rights do not interfere with the constitutional or statutory rights of the accused.

(b) Nothing in this section shall be construed as creating a cause of action for money damages against the state, a county, a municipality, or any of the agencies, instrumentalities, or employees thereof. The legislature may provide for other remedies to ensure adequate enforcement of this section.

(c) Nothing in this section shall be construed to authorize a court to set aside or to void a finding of guilty or not guilty or an acceptance of a plea of guilty or to set aside any sentence imposed or any other final disposition in any criminal case.

History: L. 1992, ch. 343, § 1; Nov. 3, 1992.

List of Amendments and Proposed Amendments to the Kansas Constitution

YEAR	SUBJECT	ART.	SEC.
1990.	A proposition to revise article 6 of the constitution of the state of Kansas, relating to education. L. 1990, ch. 371; H.C.R. 5010; rejected Nov. 6, 1990: For 245,132; Against 377,625	6	1-7
1992.	A proposition to amend section 1 of article 11 of the constitution of the state of Kansas, relating to the taxation of property. L. 1992, ch. 342; H.C.R. 5007; adopted Nov. 3, 1992: For 473,415; Against 421,813 (Unofficial count)	11	1
1992.	A proposition to amend article 15 of the constitution of the state of Kansas by adding a new section thereto, prescribing certain rights for victims of crime. L. 1992, ch. 343; S.C.R. 1634; adopted Nov. 3, 1992: For 775,846; Against 145,374 (Unofficial count)	15	15

F-5A
2-1-93
5-12

David Johnston

Temples of Chance



*How America Inc.
Bought Out Murder Inc.
to Win Control of the
Casino Business*

Doubleday
New York London Toronto Sydney Auckland

1972

F-3A
2.1.92
5-13

and he arranged to have Boesky sell the stock off slowly to minimize the loss to Golden Nugget, promising later to pay Boesky back.

When the Mirage opened, Milken was there even though by then Wynn had concluded that his friend would have to go to prison. Milken had the good grace not to stand front and center—next to Governor Bob Miller and all the other politicians—but to position himself just outside the focus of the news cameras.

Wynn also can explode like his volcano, dismissing subordinates as fools. Or he can be as soothing as the waters flowing into the Mirage lagoon, cajoling subordinates into doing their best. He can focus on fine details, like when he told Rob Goldstein to have the curb at the Golden Nugget painted white every week so it did not look scuffed. And he can be blind to what would motivate others to do what he wants. Like Mike Flores.

In the vast parking lot that feeds the Mirage stands an old stucco apartment house, a simple, two-story survivor from the fifties built around a courtyard with a little swimming pool. Wynn wanted the one-acre site, partly to get rid of it, partly so he could build an outdoor coliseum to stage prizefights and other events that bring in bettors. Flores wanted to sell, but not at the \$1 million price he was offered. Wynn thought it was a real premium, given that he had paid seventy-five thousand dollars an acre for the rest of the site. But Flores not only owned the last parcel, which usually commands a stiff premium, he also had a cash cow pouring more than one hundred thousand dollars a year into his pocket. Flores was also a bit offended that Wynn sent a lawyer to negotiate, but that snub was forgotten when Flores said he was offered four front row seats at the Roberto Durán-Sugar Ray Leonard fight. Flores quickly bragged to his dad and two buddies that Wynn was treating them all. But the tickets didn't come. Finally, Flores called and was told the tickets were gone, that he had not paid the four thousand dollars for them. Furious, Flores went to see Ralph Englestad, owner of the low-roller Imperial Palace across the Strip from the Mirage. Englestad owns much of Bill Harrah's old car collection now, including a Mercedes that belonged to Hitler. He also was fined once by the Nevada Gaming Control Board for hosting a birthday party honoring Hitler. Wynn, a supporter of Israel, hates him. Englestad recognized an oppor-

tunity and paid Flores \$1 million for an option on the site. "He made a mistake," Wynn said of Flores, "because now I won't buy his piece at any price. NOT AT ANY PRICE." That means Wynn won't rid himself of an eyesore or get his coliseum, either.

Wynn's single-mindedness was also demonstrated when his Atlantic City Golden Nugget sued Schmucl About of Queens, New York, over a twenty-eight-thousand-dollar marker and ended up changing the law on serving free drinks to gamblers.

About had won \$395,000 in damages from an auto accident in 1985 and decided to visit Atlantic City to celebrate. He quickly learned why the casinos are known as slayers of fortunes. He checked into a one-thousand-dollar-a-night suite for no charge because he brought along twenty-seven thousand dollars for gambling. The Golden Nugget provided a limousine, a butler and complimentary tickets to the shows for About and five friends. Two days later his money ran out, so the Golden Nugget flew him by helicopter to New York to draw another twenty-seven thousand dollars from his bank. But when About returned to his suite, back pain began to set in, the same pains for which he won the damages. Ever helpful, the Golden Nugget brought in a doctor, and later another one. They prescribed Percodan, a powerful painkiller.

Bottle of pills in hand, About returned to the gaming table, where he was given a free cognac to wash down the pills, even though the Percodan bottle sat on the table, and even though mixing it with booze can be lethal. Eventually About became so woozy he fell facedown on the table, but not before he had signed a twenty-eight-thousand-dollar marker. At three in the morning, About testified, a host called and he was not in a friendly mood. About said he was told to get down to the tables and gamble or else vacate the suite.

Steven Goldman, About's attorney, said the Golden Nugget was on a "fishing expedition. They spotted a fish, they baited the line, they reeled him in and they did not let go" until he had lost a quarter million dollars. Golden Nugget argued that About's lawsuit was intended to get him out of paying a "just debt." Besides, the Golden Nugget said it had no records showing About had lost that much money and neither did he.

Fv 5A
2-1-93
5-11

Golden Nugget's attorney, Stephen Dratch, noted that drinks are dispensed freely in the casino and that "unless these cases are cut off at the pass, there will be a flood of these."

U.S. District Court Judge Mitchell Cohen did not see things the Golden Nugget way. In a written decision he held that "a casino has a duty to refrain from knowingly permitting an invitee to gamble where that patron is obviously and visibly intoxicated and/or under the influence of a narcotic substance." New Jersey's dram-shop laws, he added, apply to casinos, meaning casinos can be held liable for personal injuries caused to persons whom they allow to get drunk. Still, the jury decided Aboud was partly responsible and must pay the \$28,000.

The New Jersey Casino Control Commission had no such regulation and had ignored a long history of the casinos getting players drunk not just to weaken their skill at blackjack, but to get them to sign markers wiping out their assets. And while neighborhood-bar owners saw their licenses routinely suspended for repeatedly serving liquor to juveniles, no New Jersey casino lost the right to sell and give away booze for even a minute, no matter how many teenagers got drunk on casino cocktails.

But Wynn's pursuit of people like Aboud paled in comparison to what he did to Jack Bona, who spent nearly two years in the Atlantic County jail even though he was never charged with a crime.

Bona's firm paid Golden Nugget about \$2 million for a 1983 option to buy land next to the Atlantic City Golden Nugget and to repeatedly extend that option. Bona wanted to build a one-thousand-room casino called the Dunes at the south end of the Boardwalk, right within view of the students at Atlantic City High School, but he never seemed to have the money to close the deal.

Bona had been a small-time real estate broker until he moved from Brooklyn to San Diego, where his fortunes changed. In 1979 he earned less than eighteen thousand dollars. By 1986 he was worth \$26 million. The money started rolling in when Bona realized he could make a fortune converting apartments into condos. Before long Bona and a partner had borrowed \$180 million from San Marino Savings and Loan in suburban Los Angeles at a time when five San Marino directors owed six hundred thousand dollars to Bona and his partner. The \$180 million was not paid back and San Marino folded, with the taxpayers picking up the loss. Bona said all the money was spent on failed real estate ventures,

some of which involved Morris Shenker, who then ran the Las Vegas Dunes and who had a long and intimate history of dealings with mobsters and their favorite cookie jar, the Teamsters Central States Pension Fund, before he died. It was the unbuilt Atlantic City Dunes, in which Shenker was a key figure, that gobbled the rest of the fortune.

On the last day of the last extension of his option for the Boardwalk parcel Bona put his company into bankruptcy, tying up the site for four years. Wynn grew so livid that "I woke up at night screaming." He hired Martin L. Greenberg, who had quit as a state senator to become a Golden Nugget executive before it was sold, and his Greenberg & Margolis law firm to get him some justice. Attorneys Clark R. Alpert and Steve Pasternak set out to prove that the bankruptcy filing was done in bad faith. After they succeeded at that they dusted off a hoary legal doctrine known as *capias ad satisfaciendum* that most attorneys last heard about in law school. It means to deliver the head, or body, in satisfaction of a judgment and was used under English common law to throw debtors into prison. Alpert and Pasternak argued in court after court that Bona had hidden assets, tens of millions of dollars in hidden assets, and that arresting him was the only way to make him pay up. Their briefs never mentioned a 1663 decision on the *capias* doctrine that demonstrated its cruelty when an English judge declared that "if a man shall . . . lie in prison for debt . . . he must live on his own, or on the charity of others; and if no man will relieve him, let him die in the name of God, says the law; and so say I."

The first time Alpert and Pasternak revived this ancient idea and took it to a judge he turned them down. But in 1989, in Cape May Court House, New Jersey, Judge Peter Thomas, who said he knew next to nothing of bankruptcy law, told the bailiff to put Bona in the slammer. For nearly two years Bona endured a living hell, kept in a lockup built to hold men for only brief periods, where men gone mad screamed into the night until tougher inmates beat them into silence.

Alpert and Pasternak, meanwhile, filed reports with the court claiming that Bona had a secret life, that his Eastern Airlines frequent flyer records showed he had repeatedly flown in and out of Tehran after the shah was deposed and that he had been to secret U.S. military bases. And they filed a "forensic audit" purporting to show Bona had hidden at least \$30 million.

EvSA
2-1-93
5-15

"I'm in debtors' prison," Bona said after a year behind bars, a guard watching him as carefully as if he were one of the rapists, bandits or other violent criminals with whom he was incarcerated. "This is unreal. This is America in the twentieth century, not Dickens' England. How can this be happening? I have no assets. They say there's fifty million dollars missing. There isn't. It's gone, all gone. But how do you prove a negative? How do you prove you don't have millions of dollars hidden somewhere? You can't. But the only way I can get out of prison is to prove I don't have hidden assets, and since I can't prove that I may spend the rest of my life here. It's crazy. This is outrageous."

That prospect seemed plausible, especially after Judge Prudence Abram of U.S. Bankruptcy Court in Manhattan wrote a scathing fifteen-page opinion about Bona's lack of credibility with her and his lack of disclosure about just where all the money from San Marino Savings had gone. "Bona's incarceration is not incompatible with the proper administration of the bankruptcy case," she wrote in denying his request to be freed from jail.

The idea of Bona locked away and forgotten appealed to Wynn. "Is he still in jail?" Wynn said. "I'd forgotten all about him."

Alpert and Pasternak soon enlisted the agency created to bail out the savings and loan industry, the Resolution Trust Corporation, even though Bona had settled with its predecessor, the Federal Savings and Loan Insurance Corporation, which had not sought criminal or civil prosecution of Bona.

Al Glasgow figured that hard as it might be in the joint, Bona was probably smart to keep his mouth shut, even if it angered Judge Abram and others in black robes. "If Morris and the boys got the savings and loan's money," Glasgow observed, "your choices would be to keep your mouth shut or they would shut it for you permanently."

Bona's luck began to change when it turned out that the "THR" on his frequent flyer records indicated not a trip to the ayatollah's Iran, but the rental of a car from Thrifty, and that the other codes referred not to secret military bases, but to Marriott's Seaview Country Club a few miles outside of Atlantic City. Finally in 1991, after twenty-three months in jail, Judge John Callinan in Atlantic City reviewed the entire case. He found the actions of Golden Nugget's attorneys to keep Bona locked up "unseemly" and in a scathing fifty-three-page opinion set Bona free. He

noted that Golden Nugget's grievance was over a land deal gone sour and said that if Bona should have been jailed at all then a few days was the most that could be justified. Later the Resolution Trust Company joined the criticism, saying Wynn's lawyers had acted in direct violation of the RTC's instructions and urging that they be brought up on professional disciplinary proceedings. Alpert and Pasternak denied any wrongdoing and said there was no basis to recommend discipline.

Bona was not a player, but the story of what happened to him circulated widely among high rollers and explained why, as Al Glasgow put it, "a lotta guys who will stiff casinos all over town make sure Wynn's joint gets paid. Steve can be a great friend, but he can also be an enemy who never forgets, who waits until he has his chance to make you regret not paying."

Bona was not alone in having vast sums of money that were suddenly gone. Donald Trump's profligate spending was about to knock over his elaborate house of cards.

FVSA
2-1-93
5-16

U.S. \$22.50
Canada \$28.00

In 1989 there were 1,589 Holiday Inns in America. But the Holiday Corporation earned 28 cents of each dollar's profit from a single building in Atlantic City—Harrah's Marina Hotel Casino. Something doesn't add up....

While newspaper accounts and bestselling books focused on the excesses of Wall Street in the 1980s, another industry driven by greed was expanding right under the noses of middle America. Today the casino industry has passed from the hands of old-style gangsters to a new generation of "respectable" businesspeople—the heads of well-known publicly traded corporations, as well as junk-bond kings like Donald Trump, Merv Griffin and Steve Wynn. *Temples of Chance* is a compelling documentation of this passage: the little-publicized transformation of one of the country's fastest-growing, most lucrative industries.

In just over a decade, revenues from gambling have grown from \$2 billion a year to \$10 billion. The immense profit potential of the gambling business has sucked in corporate giants like the Holiday Corporation and Ramada, Inc., both of which sold off their namesake hotel chains at the end of the 1980s and sank their resources into megacasinos.

But as award-winning journalist David Johnston argues, no matter who deals the cards, the game is always the same. Business school graduates and skilled managers have replaced mob muscle, but casinos now rely on new forms of loaded dice—computer geniuses who carefully stack the odds, government officials who support corporate deal makers at the expense of the little guy, and subtle psychological techniques that invite addictive behavior.

In fact, as *Temples of Chance* reveals, any wager placed on legal gambling in America is a sucker's bet—unless you are one of the power brokers on the inside. Mitzi Briggs,

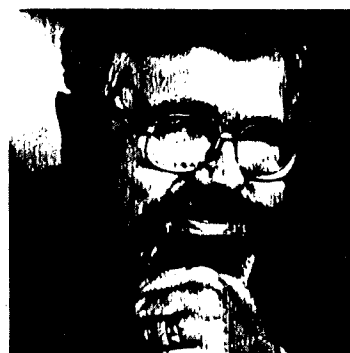
(continued on back flap)

(continued from front flap)

once worth \$44 million, lost everything she had when Ramada bought out her casino and then refused to pay her for it. The New Jersey Casino Control Commission stood by as bondholders were financially raped by the junk-bond borrowing sprees of Trump, Griffin and Bally Manufacturing. Government regulators even gave one casino written permission to cheat novice roulette players. The mentality of greed that is driving corporate investors to sponsor casinos on Mississippi riverboats, Indian reservations and Main Street U.S.A. has also led casino managers to encourage sixteen-year-olds to drink and gamble indiscriminately.

Most frightening of all, the logic underlying government support of the expansion of legalized gambling is as shifty as the sands upon which this country's most notorious casinos were built. As Johnston vividly demonstrates, while legal gambling can offer short-term economic relief, it creates no new wealth, and it cannot permanently revive struggling economies.

A gripping, sometimes disturbing look at the seamy underside of the glitziest industry of all, *Temples of Chance* is a compelling exploration of the impact and future of gambling in America.



© ADDISON GREGG 1992

For two decades, David Johnston's award-winning investigations of casinos, cops, cults and charities have riveted readers of the *Detroit Free Press*, the *Los Angeles Times* and the *Philadelphia Inquirer*, where he was Atlantic City bureau chief and now is an investigative reporter covering business news.

Printed in the U.S.A.
1092

F45A
2-193
5-17

hotel rooms, not showrooms. As Briggs saw it, with some fixing up, and some more rooms, the Trop could be a gold mine. She bought in for \$6.4 million.

Still, the Tropicana kept losing money, so she poured in an additional \$8.6 million. She took little or nothing out. Casino executives routinely charge first-class airfare to their expense accounts, but Briggs always flew coach and often paid her own way.

Briggs never understood how to mingle with the customers, how to appeal to their desire to feel lucky and, when they lost, to soothe their egos with gifts and kind words. For a casino owner she held some bizarre views. One evening, soon after she arrived, Briggs hosted a dinner at the Trop for her executives and commission sales people, known as junket reps. Among her guests was another part owner, Deil O. Gustafson, who had bought into the Trop in 1972 and promised to turn it into "the Tiffany of the Strip." Seated near her was the charming Joseph "Caesar" Agosto, the *Folies* producer, who played a much bigger role in running the Trop than Briggs realized. And among the many wrinkled faces at dinner that night was a lone college student named Rob Goldstein, who was filling in for his father, an old-time gambler who had fallen ill just as a planeload of his players descended on the Trop. The father ordered his son to fly west even though exams started the next week. The room was elegantly prepared, with the best china and stemware and a card, made by a calligrapher, telling each guest where to sit. After the meal the hostess rose to make a speech about her philosophy as a casino owner.

"Mitzi told us about how she didn't understand gambling and how it was evil," Goldstein recalled. "I thought she was nuts." Like the others, though, Goldstein kept his thoughts to himself.

The money Briggs poured into an expanding enterprise she regarded as evil was enough to finance a new tower of desperately needed rooms. When it opened in 1978 the Trop's casinos filled with gamblers. But the turnaround came to an abrupt halt in 1979, when the FBI revealed that the Kansas City mob was skimming millions of Tropicana dollars. There was no question about the skim; the feds had wiretapped Nick Civella, the Kansas City mob boss, and *Folies* producer Agosto was all over the tapes.

Briggs had no idea the mob was robbing her blind or that Agosto was an intimate of Civella. Despite the wiretaps Briggs could not believe that the gracious Agosto had cheated her. She flew to his prison to ask whether it was true.

"Mitzi, I couldn't help it, they had a gun to my head," Agosto told her. She believed.

Later a jury in St. Paul, Minnesota, convicted Gustafson, a Minnesota banker and self-made multimillionaire, of bank and wire fraud, conspiracy and other charges connected with a check kiting scheme that he and Agosto ran to keep the Tropicana afloat. Gustafson was sentenced to ten years in prison.

Briggs was never charged with anything. Even years later law enforcement officials spoke of her sympathetically, as that eccentric woman who was robbed blind by the mob. It was not the last time she would be robbed.

The wiretap evidence was too much even for the laid-back Nevada gaming regulators, who were used to working with people often accused, but seldom convicted, of crimes. The regulators told Briggs and Gustafson to turn in their licenses. But instead of tossing them out, the regulators told them they could sell if they found a buyer fast.

Gustafson worked out a deal to sell the Trop to Ramada, which operated the world's third-largest lodging chain from its headquarters in Phoenix. Ramada was so anxious to get into a business in which it had no expertise, but was certain would produce phenomenal profits, that it agreed to terms that years later would cost it \$35 million and would play a major role in making Briggs a pauper. Time would show that the soulless corporations Bill Harrah so disliked could be just as high-handed and heartless as the mobsters who stole the winnings from the Trop.

Since its founding in 1954, Ramada had played the motel industry's Burger King to Holiday Inn's McDonald's. Like Holiday, Ramada built predictable roadside inns. Its reputation was for doing business on the cheap. And while Ramada became a brand name, it was Holiday's that became the icon. As gasoline taxes financed ribbons of concrete, moderately priced lodging chains that built along the interstate highways

Fv 5H
2-193
5-18

To: The Co-Chairmen and Members of the Joint Committee

From: Pastor Chet Evans
President, Greater Topeka Association of Evangelicals
4141 SW 53rd Street
Topeka, KS 66610

I would like to speak in opposition to allowing casino gambling in Kansas. Much of what I have to say is based on information from the states and municipalities that currently allow this type of gambling. That would include the state of Nevada; Atlantic City, New Jersey; Deadwood, South Dakota; and three cities in Colorado, Cripple Creek, Central City and Blackhawk. Most of this information is included in a report from the Illinois State Police, Division of Criminal Investigation, Intelligence Bureau, dated April 16, 1992. It would behoove us to profit from what others have discovered and what others have to say about casino gambling.

First, allowing Casino gambling would bring an influx of what can best be described as unsavory people. As surely as a picnic draws ants, a casino would draw a criminal element. It always has and always will be the case. I realize everyone would like to say that this is not the case but the past experience of others would indicate that it is, in fact, true.

The Atlantic City Police Department have stated that they have seen an increase in the criminal population. This has been reflected in everything from "traveling criminals", youth gangs, street level drug dealers and various "scam" artists. All in all their criminal population has increased on all fronts.

The connection between the casinos of Las Vegas and organized crime and the criminal element in general is legendary. This connection is assumed and accepted without challenge. That is illustrated by the fact that it has been the subject of many movies and newspaper headlines. It is a given that casinos and criminals go together in Las Vegas. There have been numerous reports and

F-3A
2-1-93
Atch #6

subsequent convictions of known underworld figures being involved with Las Vegas casinos. No one can deny the connection between the casinos of Las Vegas and criminal activity.

Every community would like to see increased visitors and to realize the revenue from their visits, but this does not seem to me to be what most communities have in mind. Usually communities are looking for business travelers and tourists but not criminals to visit them. I don't know of anyone who intentionally encourages more criminals to move into their area. If we allow casino gambling this will most certainly be one of the by-products.

Secondly, if I may state the obvious, where you find increased criminals you also find increased crime. Atlantic City had a 230% overall increase in crime from the time they allowed casino gambling to 1990. That included a 156% increase in rapes, a 316% increase in aggravated assaults and a staggering 451% increase in larcenies. It is obvious that this is well above any national average for crime. It is likely that many, perhaps a majority, of these crimes were perpetrated on local citizenry. I sincerely doubt that is what they had in mind when they approved casino gambling. Casinos and the resulting increase in crime would put us, the citizens of Kansas, at an increased risk.

The Cripple Creek Police Chief reported that they had fielded about 40 emergency calls per month before casino gambling was legalized. Since casino gambling they now receive an average of 45 per day. Whereas they once saw approximately four DUIs per year, now they see one a week.

The point is not simply that more crimes are perpetrated, although that is a serious consideration, but also that this increase puts demands on municipal services such as police departments, sheriff departments and support personnel. To the fiscally responsible citizen, that

means increased cost of running government. That means more taxes. There is often the promise, either stated or implied, by proponents of casino gambling that funds will be provided to offset this increased cost. That is, however, not the reality of the situation. The sheriff's department in Deadwood, South Dakota, submitted a proposal for five additional deputies to handle the increased law enforcement activity. They were given one deputy simply because there was not adequate funding for the other four. It would appear the citizens of Deadwood are getting the short end of the stick, too.

When I, personally, have to make a decision, I weigh the advantages against the disadvantages. I must say, there appears to be some advantages to allowing casino gambling. It creates more jobs. That is a hot topic right now. However, some of the jobs it creates include not only the staff at the casinos but also the new jobs on the police force and the sheriff's department. I don't think this is the best way to create jobs. That is bringing in the casinos and then adding staff to control them and to prosecute the people the casinos would bring in.

Another so-called advantage is increased access to tax revenues and an increase in spending. But, if the other municipalities are to teach us anything, it is that this increased revenue falls short of even paying for the problems it causes just by being there. The added revenues do not help any with the present tax burden but they actually increase it. It is rather like the grease factory that could not produce enough grease for its own machines. It is a losing proposition.

The answer is clear. The casinos are simply not worth the trouble they cause. Whatever advantages they might offer come with too great a price tag to be a bargain. But there is perhaps a greater cost involved.

As a pastor, I am vitally interested in strengthening our families. I see all sorts of attacks on the family unit today. It is becoming more and more obvious that if our nation is to remain strong, our families must remain strong. Many of our social problems and economic problems can be traced to the decline of the basic family structure. In Atlantic City, school truancy has increased due to students skipping school to gamble. As a result their High School Proficiency Test scores are below the state average. Truancy and lower test scores will put more pressure on present families and will jeopardize the future families ability to function properly.

Furthermore, it is estimated that 5% of our population are compulsive gamblers. Another source says that as many as 1.1 million people may be compulsive gamblers. Making gambling even more accessible and lending some legitimacy to it will only aggravate this situation. This means squandered paychecks, bad checks being written and even more economic pressures on families.

There are already too many factors having a detrimental effect on families. Please do not introduce yet another one. The availability of casino gambling can only have a negative effect on our families.

I urge you to vote against casino gambling in Kansas. The cost is simply too great.

TESTIMONY OF SANDRA KEO, CHAIRPERSON
OF THE SAC AND FOX NATION OF
MISSOURI IN KANSAS AND NEBRASKA

BEFORE THE JOINT FEDERAL AND STATE
AFFAIRS COMMITTEE
FEBRUARY 1, 1993

FLSA
2-1-93

Atch #7

TESTIMONY

I am Sandra Keo, Chairperson of the Tribal Council of the Sac & Fox Nation of Missouri in Kansas and Nebraska. I offer this testimony in opposition to an Amendment to the Constitution of the State of Kansas which would result in the virtual devastation and elimination of Tribal Gaming opportunities which my Tribe has sought to engage in for more than a year. I also oppose an amendment to the Constitution which would, in effect, grant a virtual monopoly to a company from Las Vegas which, unlike the Native Americans of Kansas who have wrestled with these complex issues for over a year, has somehow managed to get this joint committee to meet less than two weeks after announcing a proposed casino in Kansas City. As has been well documented, or at least postured, by many in the press and in the Kansas Legislature, wide open casino gambling has not exactly been embraced with open arms. In fact, it has only been through litigation between the Attorney General and the Governor and other Kansas tribes against the State of Kansas which has resulted in the negotiating process contemplated in House Bill 2023.

The Native American tribes in Kansas are sensitive to the concerns of all Kansas citizens as evidenced by the fact that none of the four tribes jumped on the gaming bandwagon until more than two years after the Indian Gaming Regulatory Act was passed by the United States Congress. However, as evidenced by the tremendous success of tribal gaming operations in other states, particularly Minnesota, it became obvious to even the most casual observer that

FISA
2-1-93
7-2

gaming, as contemplated by the Indian Gaming Regulatory Act, was in fact the most expedient manner in which the four tribes could enhance their tribal economic development, increase the quality of health care, and in short generate revenues for the enhancement (and in some cases the establishment) of an infrastructure for which all sovereign governments are responsible for the benefit of all citizens.

I want to make a particular point of the fact that during the past fifteen months in which the Sac & Fox Nation has sought to engage in gaming, you have not one time heard us raise a racial issue, scream about discrimination or twist anyone's arm by threat of litigation. The Sac & Fox Tribal Council has sought to do nothing other than exercise its sovereign powers granted by the United States Congress, be good corporate citizens, and provide economic opportunity for tribal members as well as other Kansans which will be employed either directly or indirectly by a Native American gaming facility.

However, I must wonder why it has taken us, not only the Sac & Fox but all Kansas tribes, nearly two years of political roadblocks to get our day in court while an out of state company somehow miraculously and mysteriously in a matter of just two weeks ^{can} cause the Legislature to convene a joint committee to consider a Constitutional amendment which was fought so desperately in the last session when everyone thought that that would benefit only Native Americans.

Unlike the current request for a Constitutional amendment,

the Kansas Native American tribes have sought only to seek the benefits provided by the United States Congress. No tribe has ever suggested that there should be casinos on every corner or that Kansas should be a wide open gambling state, nor do they now. When all is said and done, we think that Kansas would benefit from four Native American owned Class III gaming facilities which will result in an influx and retention of out of state dollars into the State of Kansas.

We believe that that scenario is quite different from the request for a virtual monopoly of a non-Native American owned company which will not only export dollars out of the State of Kansas but will deprive Native Americans of the concurrent benefit of decreased unemployment, decreased crime rate because of increased employment, enhanced social and health benefits, the construction of new roads and buildings on the reservations, and in general just benefiting the class of people for which the Indian Gaming Regulatory Act was passed.

One may ask why the proposed amendment would virtually eliminate Indian Gaming; the answer is quite simple. None of the Native American Kansas tribes have the inherent ability or expertise to either attract the capital required to establish gaming facilities or to manage those facilities once in operation. We can't get financing from Japanese banks. In fact as the members are aware, it is generally necessary for the tribes to enter into development and management agreements with companies which do have the ability and expertise to obtain financing and then to manage

If the proposed constitutional amendment is to be passed, all the work which the House Federal and State Affairs Committee has performed will be for naught. That committee has worked hand in hand with the tribes, tribal attorneys and others in designing a bill which protects the State's interest and sets forth the policies of this State for negotiating with the tribes in a manner fair to all.

Fx 3A
2-1-93
7.5

KICKAPOO NATION IN KANSAS

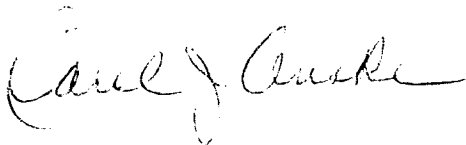
The Kickapoo Nation strongly opposes Senate Concurrent Resolution No. 1608.

We feel it is yet another attempt by the Mirage and the Horse and Dog Racing Associations to undermine Indian Gaming. In the past, discussions were held with the Mirage and the City of Kansas City, Kansas to build a casino near the Woodlands Race Track. Consideration of this joint venture ceased when we discovered that the Nevada Resorts Association, of which the Mirage is a member, and the Horse and Dog Racing Associations were Co-horts in attempting to undermine Indian Gaming through Congressional action. Even though their congressional efforts failed, we can see that they are still attempting to jeopardize Indian Gaming as evidenced by their lobbying efforts and this fast track resolution.

The Kickapoo Nation feels that the entire Indian Gaming Issue has not been dealt with in good faith or in a timely manner as compared to the issue we are dealing with today.

The Indian Gaming Act of 1988, gave the Indian Nations in Kansas a means to pursue Economic Development. We feel that by passing Senate Concurrent Resolution No. 1608, you would hinder the intent of the Act in this state.

On behalf of the four Indian Tribes in Kansas, the Kickapoo Nation urges you to vote "NO" to this resolution.



Carol J. Anske
Tribal Chairperson



Kansas City, Kansas Area Convention and Visitors Bureau, Inc.

TESTIMONIAL STATEMENT

TO: Joint Hearing of Kansas Senate and House,
Federal and State Affairs Committees.

RE: Proponent for Proposed constitutional amendment to allow Kansas voters
to vote in a statewide referendum concerning casino gaming at
The Woodlands in Kansas City, Kansas, Wyandotte County.

HEARING: 9:00am, Friday, January 29, 1993
Room 313 South, Kansas State Capitol Building

We are sure that you are well aware by now of the threat of millions of Kansans' dollars flowing to Missouri to contribute to Missouri's proposed riverboat casinos. As you know, residents of Clay and Jackson counties in Missouri will be voting on these issues on February 2, 1993.

The prospects of either or both of these propositions passing in the Kansas City metro area pose great threats to The Woodlands and also to River City U.S.A., both of which are located in Wyandotte County, Kansas. We, of course, can't control what happens in Missouri....

... But you, the entire Kansas Legislature, the voters in Kansas, and our organizations can control what happens in Kansas. That is why we are pleading with you now to help keep Kansas ahead of our bordering state, Missouri.

-more-

Ex 3A
2-1-93
Arch 7

Testimonial Statement - 2

Please help Kansas by voting to support the necessary resolutions which will allow our Kansas voters to express their wills in a general statewide referendum permitting a change in the Kansas Constitution to allow casino gambling this April 6, 1993. We know the timeframe is short to get such resolutions passed in both houses. We also know its tough to get a 2/3 majority vote in both houses. But surely we can do this for Kansas! What better way than giving Kansans the opportunity to decide how they really feel on this issue!

The Mirage/Woodlands Entertainment Complex would create jobs in our area (approximately 10,000). It would increase the tax base for the state, making it more feasible for tax relief that we all know is needed. It would increase tourism in the area, bringing dollars into the state of Kansas from around the country. And, most importantly, it would protect The Woodlands which has become an important part of our community!

The Woodlands has contributed \$46 million in Kansas taxes since opening. Over 800 people and their families rely on Kansas City, Kansas' third largest employer. Every racing day The Woodlands generates an average of \$47,000 in taxes. Kansas charities have received \$2 million from The Woodlands.

So, please help us, not only for Kansas City, Kansas and Wyandotte County's sake, but for the betterment of all of Kansas because of what it can mean for Kansas jobs, tax revenues, Kansas tourism and Kansas economic development!

Please vote "yes" on the resolutions to allow Kansans to decide in April!

Ken Seibert, President

Hal Bassett CAE, Executive Director

Donna Carlson, Sales Director

F-5A
2-1-93
9-2

LEGISLATIVE TESTIMONY
JOINT COMMITTEE ON CASINO GAMBLING
FEBRUARY 1, 1993

My name is Dwayne W. Peaslee, and I am the President of the Kansas State Building and Construction Trades Council, 930 E. 28th Street, Lawrence, Kansas.

Today you are being asked to consider not whether casino gambling will become a reality in this state, but whether the voters in this state will have the opportunity to make the decision themselves. We in the building industry believe that the majority of voters, when they understand the enormous economic impact that the proposed casino/resort will have on Kansas, will vote yes.

With more workers being idled each day by layoffs and business failures, we cannot help but believe that the jobs that will be created, not only by this one project, but by supporting business and industry that is certain to follow, will be a major shot in the arm to a region still struggling with recession.

Please give your support to the Casino Gambling bill, and let the voters of Kansas decide on their future.

Ex 5A
2-1-93
Atch #10

**TESTIMONY OF THOMAS L. LYNCH, JR.
PRESIDENT OF THE BOARD OF PUBLIC UTILITIES
IN SUPPORT OF
SENATE CONCURRENT RESOLUTION NO. 1608**

My name is Thomas L. Lynch, Jr. I am President of the Board of Public Utilities of Kansas City, Kansas. I have served as an at-Large Member of the BPU for 10 years now, or halfway through my third term as an elected member of the Board.

The Board of Public Utilities is the largest municipally-owned utility in the State and serves approximately 66,000 electric customers and 52,000 water customers in the City of Kansas City, Kansas, plus wholesale electric service to the Kansas Municipal Energy Agency (KMEA) and the City of Columbia, Missouri. The Utility serves one of the largest, if not the largest, industrial areas in the region. In 1991, the Utility's top 10 customers - General Motors, Owens-Corning, Certain Teed, K.U. Med Center, Colgate-Palmolive, Proctor & Gamble, just to name a few, accounted for 23% of the Utility's total billing.

I am here on behalf of the Board of Public Utilities in support of the legislation before you. I believe the proposed hotel and casino permitted under this legislation would be of significant benefit to our customers and to the citizens of the State of Kansas. I would like to briefly outline some of those benefits.

First, the legislation is needed to preserve the Woodlands and the benefits it brings to both the citizens of Kansas City, Kansas and the State of Kansas. Those benefits are:

- State income and sales taxes from over 800 employees and their families. The Woodlands is Kansas' 3rd largest employer with an annual payroll of over \$8 million.
- \$47,000 in taxes each day.
- \$2 million to Kansas charities to feed hungry children, shelter the homeless, help distressed families.

*Ex 5A
2-1-93
Atch #11*

- Preservation of related Kansas industries and the State income and sales taxes their employees pay.
- \$655,277 in annual revenue to BPU.

Second, the legislation would make it possible for additional revenue to the Utility, City, and State from the casino and hotel. We estimate that an additional \$800,000 to \$1.4 million would flow to the Utility in new revenue and thereby provide the following benefits:

- reduce the pressure on rates from our existing electric and water customers.
- encourage the development of related industries, thereby creating more Utility revenue, city tax revenue, and state tax revenue.
- reduce the utility rate and tax pressure on large industries in KCK as they struggle to compete in a world market. Thousands of jobs are at stake from these major employers.

I urgently request your support of the Senate Concurrent Resolution
No. 1608.

F-5A
2-1-93
11-2

YOUNG MEN'S CHRISTIAN ASSOCIATION

KANSAS CITY, KANSAS and WYANDOTTE COUNTY

900 No. 8th Street • Kansas City, KS 66101

(913) 371-4400

OFFICERS

PRESIDENT

John Tiszka

1st VICE PRESIDENT

William Hutton

2nd VICE PRESIDENT

Terry Showalter

SECRETARY

Jody Boeding

TREASURER

Gary Grable

PAST PRESIDENT

James Hawkins

January 28, 1993

TRAK EAST

Attn: Ms. Patricia Shackelford

P.O. Box 12036

Kansas City, Ks. 66112

Dear Ms. Shackelford,

BD. OF DIRECTORS

Lee Baker

Fred Chatman

Saul Davis

Dennis Dumovich

Terry Eidson

Dr. Larry Evans

Karen Ford

Ted Foundopolous

Gary Gruendel

Earl Holland

Tom Johnson

Dr. Herman Jones

Ron Jost

Rep. Tom Love

Tom Mathis

Rev. Michael May

Mike Messina

Mike Murray

Robert Patrick

Willie Peete

Steve Peters

Marcus Potter, Jr.

Bruce Schlosser

Frank Toombs

Nancy Zelke

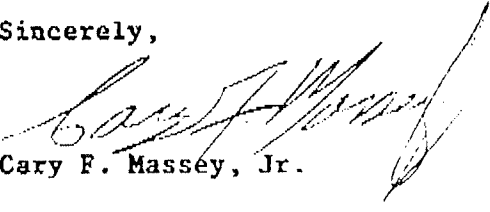
In behalf of the YMCA of Wyandotte County and the many youth and families we serve, we want to express our appreciation to you and the Kansas Racing Commission for the support provided through the charitable fund.

The funds provided through your organization have allowed the YMCA to reopen a community center in an inner-city housing project which had been closed since the 1970's. In 1992 we were able to expand that program and include services to youth in four other housing projects throughout Kansas City. Through our combined efforts we have provided services to 80 - 150 children per day for the past two years. These services include; gang, drug and alcohol prevention, tutorial & academic assistance, self-esteem development, teen pregnancy education, aids and venereal disease education, summer camp, youth sports and family services.

Without these funds the YMCA certainly would not have been able to provide these much needed services to these young people and their families who otherwise would not have been able to afford to participate.

We thank you and encourage you to continue supporting our youth and families who are in such great need.

Sincerely,


Cary F. Massey, Jr.

"Helping All People Reach Their Full God Given Potential
In Spirit, Mind and Body"



Fv 3A
2-1-93
Atch #12

LEGISLATIVE TESTIMONY
JOINT COMMITTEE ON CASINO GAMBLING
January 29, 1993, 9 a.m.
313 South

I am Edward Gibbons, Executive Director of Financial Resources at The Capper Foundation, 3500 SW 10 Avenue, Topeka, Kansas. I have been asked by The Racing Association of Kansas East to inform you how their charitable giving program has supported The Capper Foundation Outreach Program.

In 1991, we received a \$25,000 grant from TRAK East to assist in the purchase of equipment for The Capper Foundation Assistive Technology Loan Bank.

Through our Outreach Program and Services, multiple children in Kansas who are non-verbal have experienced great change in their lives. Access to evaluation, technology and training has allowed communication and learning abilities that were previously untapped. Computer software, control units, switches and keyguards make computer learning readily adaptable for those persons with severe disabilities. Voice output speech devices and alternate peripheral systems allow persons without verbal abilities to speak for the first time. Many of these items were purchased as a result of the grant from TRAK East. Over 1000 requests for use of equipment have been received since the inception of the loan bank.

The TRAK East philanthropic distribution program provides an extremely valuable resource for charitable organizations such as The Capper Foundation. It has allowed our staff to reach out and serve more persons with physical disabilities.

Please confer enclosures: newspaper article, Outreach contact map of areas visited by our team.

F-3A
2-1-93
Atch #13

6-7-91
Topeka
Capital-Journal



—Steve Wolgast/The Capital-Journal

Jamie Hester demonstrated how he uses a head switch to type information into a computer at the Capper Foundation. The

switch is identical to those loaned to children across the state as part of the Capper Outreach Program.

Capper Foundation wins on lost bets

By JOE TASCHLER
The Capital-Journal

Attention everyone who has ever lost money betting on greyhounds or thoroughbreds: The money didn't completely go to waste.

Some of the money bet at the Woodlands in Kansas City, Kan., is being used to improve the lives of children with disabilities throughout the state through the Capper Foundation in Topeka.

The Capper Foundation recently received \$25,000 from the Wood-

lands at the track must be given to charitable organizations.

The Capper Foundation is using the money for its Outreach Program, which sends therapists and equipment throughout the state for use by children with disabilities who don't have the means to come to the foundation in Topeka.

Mary Ann Keating, director of the Outreach Program, said much of the Woodlands money is used to purchase technological devices that are loaned to children with disabilities for temporary use.

program is extremely important, Keating said. "We wouldn't be able to keep up with new developments without it."

Keating said the devices allow personalities to come out of the bodies in which they are often confined.

"Your impression when you see someone who can't talk and who is in a wheelchair, is they have no value," Keating said.

Given the chance to communicate with some of the high-tech items, the children are often able to gain some degree of independence, she said.

A success story associated with

the Outreach Program is Lucas Stohs, 13, Marysville. He is a quadriplegic who has cerebral palsy, said his mother, Pam.

Without the Capper Foundation Outreach Program, Pam Stohs said her son wouldn't be what he is today.

Outreach Program workers recently installed a switch that Lucas controls with his head. The switch enables him to operate a computer that talks for him.

Among the first words he said was, "Mom, I love you," Pam Stohs said. "Do you know how happy that made me feel? It was just unbelievable."

EX 34
2-1-93
13.3

Chairman
Members of the Joint House and Senate Federal and State Affairs
Committee

My name is Frances Wood, 4724 S.E. 37th, Topeka, Ks. a volunteer for the Woman's Christian Temperance Union on the state and local level.

I am opposed to the Senate Concurrent Resolution that proposes to amend the constitution to allow for a casino to be built.

Wednesday evening the CBS evening news with Dan Rather had a feature, "Eye on America", that told about teen age gambling. I believe that if each committee member would have heard that short segment you would have no trouble voting against this proposal before you. Mr. Rather introduced the segment by saying the teens have another dangerous temptation - gambling. Several youths testified they had run up huge credit card charges and also admitted embezzling.

On the program one lady in authority expressed an obvious opinion - the more they are exposed, the more they are likely to have a problem. To which, I would add that they would not need to be a teenager for this to be true. She also said if the parents are doing it (gambling), everybody is doing it, its ok, its safe, the government is promoting it and t.v. ads bombard you - Why can't we do it?

The State of Minnesota is holding classes trying to educate the students as to why they should not gamble..

They ended the program by saying that the allure of gambling is no less addictive than drugs and alcohol, and in 10 years would be just as big a problem if left unchecked.

You in this committee have the power to stop this action now. Why would any responsible lawmaker want to introduce a whole new set of dangerous temptations to our teenagers or for that matter to any adults.

There was a firm called "Louisiana Energy Systems" that wanted to start doing business in Louisiana. They would bring lots of jobs and money to the state. But the people were protesting it because they thought it would bring pollution and be environmentally unsafe. I am here to protest the casino because, it, too, will bring pollution - pollution of the morals and ethics of the citizens of Kansas.

I respectfully urge you to vote no on this proposal and not bring about more dangerous temptations.

Ex 5A
2-1-93
Atch #14

TESTIMONY

Joint Committee/Federal & State Affairs
Senate & House
Monday, February 1, 1993, 9:00 a.m.

POSITION STATEMENT OF THE KANSAS CATHOLIC CONFERENCE ON THE QUESTION OF BETTING

By Robert Runnels, Jr., Executive Director
Kansas Catholic Conference

Betting, lotteries and gambling are increasingly becoming a part of the economic picture in the United States. Some people are attracted to these activities because of the amusement, others because of the thrill (as they see it) of getting something for little or nothing, and still others simply find in these activities a certain amount of recreation, others have become compulsive.

This statement of the Kansas Catholic Conference presents principles from Catholic moral theology on betting. Catholic moral theology follows the rule of reason, not condemning outright what is not evil in itself yet strongly reprobating the abuse of an otherwise good (or at least indifferent) thing. It is this principle that leads the same moral theology to carefully distinguish between betting, lotteries, and gambling. Though the basic principles governing each are the same their application is different.

The Catholic Church has never condemned betting outright anymore than the theatre, for all its transgressions, or the screen or television, for all their potential

Ex 3A
2-1-93
Arch #15

follies, or sports, with their threat of overindulgence.

The individual person must take into consideration the ability to control oneself and to avoid the "betting urge" which potentially has grave consequences to personal integrity and can contribute to the immorality of those who would exploit the betting addict.

Gambling is morally permissible provided: the one who gambles really owns the stakes; there is no fraud involved; and that all who participate have the same basic chance of winning or losing. Gamblers, even amateurs, practically waive their right to equality of opportunity between themselves and professional gambling houses. It is known that the house receives a share of the "earnings".

On the part of the community which legalizes professional gambling, its moral tone is usually lowered, it opens itself up to racketeering, gangsterism and other social crimes.

It is hoped that the question raised here and the principles developed here will serve as constructive guidance for all persons in making decisions which have serious moral implications for the life and dignity of the citizens of this state.

FSA
2-1-93
152