

MINUTES OF THE SENATE FEDERAL AND STATE AFFAIRS COMMITTEE

The meeting was called to order by Chairman Pete Brungardt at 10:30 a.m. on January 12, 2011, in Room 144-S of the Capitol.

All members were present except:
Senator Steve Morris

Committee staff present:

Jason Long, Office of the Revisor of Statutes
Doug Taylor, Office of the Revisor of Statutes
Dennis Hodgins, Kansas Legislative Research Department
Julian Efird, Kansas Legislative Research Department
Connie Burns, Committee Assistant

Conferees appearing before the Committee:

Dale Goter, City of Wichita
Ed Van Petten, Kansas Lottery Commission
Keith Kocher, Kansas Lottery Commission
Carol Foreman

Others attending:

See attached list.

Introduction of Bills

Senator Faust-Goudeau, requested a bill introduction in regards to custody rights dealing with grandparents.

Senator Faust-Goudeau moved that this request should be introduced as a committee bill. Senator Owens seconded the motion. The motion carried.

Dale Goter, City of Wichita, requested a bill introduced regarding temporary licenses for the sale of cereal malt beverage. (Attachment 1)

Senator Abrams moved that this request be introduced as a committee bills. Senator Owens seconded the motion. The motion carried.

Presentations:

Ed Van Petten, Executive Director, Kansas lottery, provided an agency update (Attachment 2) The Director stated that the Lottery Commission had no proposals at this time, as they have not had the opportunity to meet with the governor's staff and fully discuss the issues.

Sales are presently about .29% below last year's sales; instant ticket sales are up 4.05% from last year, with decreases in all jackpot games. Beginning January 31, 2010, the Powerball states, and states carrying the game Mega Millions began cross selling the games; this has not proved to be a profitable move.

The primary focus continues to be security, both in our gaming system and field operations, which has eliminated the ability of programmers to access the gaming system unaudited by adding a test system, detached from the gaming system, for developing new programs. In the last security audit conducted for Legislative Post Audit, Delahanty consulting LLC reported no significant security issues.

The Lottery continues to develop marketing partnerships for games to increase the exposure of Kansas business, industry and tourism.

Southeast Gaming Zone (Crawford and Cherokee counties)

The Kansas Lottery Commission is expected to once again extend that deadline when it meets on January 19. Most potential managers have stated the belief the required minimum \$250 million investment in

CONTINUATION SHEET

The minutes of the Federal and State Committee at 10:30 a.m. on January 13, 2011, in Room 144-S of the Capitol.

infrastructure is not feasible in that gaming zone. Representatives Gatewood and Grant have pre-filed a bill seeking to amend the Kansas Expanded Lottery Act; among other things, the bill seeks to lower the minimum investment and the privilege fee required to be paid by a manager in this gaming zone.

South Central Gaming Zone (Sumner County)

The Lottery Commission approved two contracts, which by law were subsequently forwarded to the seven-member Lottery Gaming Facility Review Board, which in December culminated in selection of Peninsula Gaming's "Kansas Star" Casino by a 6-to-1 vote. If approved the Kansas Star Casino would eventually house approximately 1,500 slot machines and 42 table games, with a 150-room hotel, equestrian show and events center, restaurants, and a variety of other typical amenities.

Northeast Gaming Zone (Wyandotte County)

The Kansas Racing and Gaming Commission (KRGC) finalized its background and suitability investigation and voted to approve the manager on February 12, 2010. Kansas Entertainment immediately commenced construction of the "Hollywood Kansas Casino at Kansas Speedway" on the second turn of the Kansas Speedway in Kansas City, Kansas. The target opening date is the first half of calendar year 2012.

Southwest Gaming Zone (Ford County)

In 2008 the Review Board chose Butler National Service Corporation as manager of the "Boot Hill Casino & Resort" to be located on the outskirts of Dodge City, Kansas; and opened to the general public on December 15, 2009. From December 15, 2009 to December 25, 2019, the State of Kansas' 22% share amounted to approximately \$8.6 million. Phase II of the project is to be completed no later than February 2012.

Racetrack Gaming Facilities

The Kansas Racing and Gaming Commission revoked the parimutuel licensees' to conduct races at the Woodlands Racetrack in Kansas City and Camptown Racetrack in Frontenac. The pre-filed bill sponsored by Representatives Gatewood and Grant would (again, among other things) re-allocate the electronic gaming machine revenues and give parimutuel licensees a larger portion.

Carol Foreman, Governor Parkinson's designee to conduct negotiations on a gaming compact with the Wyandotte Nation, appeared before the committee to discuss the proposed compact. (Attachment 3) The Wyandotte Nation requested negotiations of a tribal-state compact with the State of Kansas for Class III Gaming at the Shriner's Masonic Temple in Kansas City, Wyandotte County, Kansas, on August 2, 2010. The Wyandotte Nation submitted a proposed compact almost identical to the four existing Indian Gaming Compacts. The Wyandotte Nation was advised on September 14, 2010, that Governor Parkinson designated Carol Foreman to conduct negotiations on the Compact. Negotiations between the State and the Wyandotte Nation commenced shortly thereafter, and concluded resulting in the proposed Compact and its Appendices.

The Indian Gaming Regulatory Act creates a duty on states to negotiate in good faith with tribes. Kansas has four existing Indian Gaming Compacts that for all practical purposes are considered almost identical. Issues considered and addressed in Proposed Compact:

- The Wyandotte Nation owns land in Park City, and has shown interest in that property
- Administrative covers advanced technology, responsible gaming, assessment, and conversion
- Subject to tribal gaming Oversight Act

Ms. Foreman addressed questions from the committee on the Compact.

The next meeting is scheduled for January 13, 2011. The meeting was adjourned at 11:15 a.m.

GUEST LIST

DATE 1-12-11

[illegible]

Dale Carter
①

**SYNOPSIS – PROPOSED AMENDMENT
REGARDING TEMPORARY SALES OF CEREAL MALT BEVERAGE**

The director of the Kansas Division of Alcohol Beverage Control recently determined that the City of Wichita's "special event" license used to license premises to allow the sale of cereal malt beverage (CMB) on a temporary basis is not recognized under state law. These licenses are similar to a temporary permit authorized by K.S.A. 41-2645 which enables the sale of alcoholic liquor on unlicensed premises on a temporary basis. Vendors have primarily employed the City's "special event" license to sell CMB on public property at various community events. The basis for the ABC's challenge is a change in state law requiring all CMB licenses issued in Kansas to be annual licenses. See K.S.A. 2009 Supp. 41-2703. As a result, any license issued under the City's special event CMB ordinance is not recognized as issued under state law. Without a license issued under state law, a licensee cannot purchase CMB from a licensed distributor, nor can a distributor sell or deliver CMB to the licensee without violating state law.

Accordingly, the City of Wichita is proposing an amendment to K.S.A. 2009 Supp. 41-2703 which creates a "special event retailers' license" for the sale of CMB on a temporary basis. The terms of this proposed special event retailers' license would mirror those of a temporary permit to sell alcoholic liquor, specifically, a applicant could obtain no more than four such licenses in a calendar year and each license would be limited to a period of time not to exceed three consecutive days. The passage of this amendment would result in the recognition of the special event retailers' license as being issued under state law, and would allow the temporary sale of CMB at community events since vendors could purchase and obtain delivery of CMB from licensed distributors in conformity with state law. The amendment also provides for the director of ABC to propose any rules and regulations deemed necessary to implement and enforce the special event retailers' license.



Ed Van Petten
Executive Director

Mark Parkinson
Governor

**Testimony Before The
Senate Federal and State Affairs Committee
Agency Update January 12, 2011**

Presented By:
Ed Van Petten, Executive Director
and
Keith Kocher, Director of Gaming Facilities
Kansas Lottery

Mr. Chairman and members of the Committee:

I. Legislative Issues

We have no proposals at this time, as we have not had the opportunity to meet with the Governor's staff and fully discuss the issues.

II. Sales

Sales for FY 2010 totaled \$235,414,168. We are presently about .29% below last year's sales. Instant ticket sales are up 4.05% from last year, with decreases in all jackpot games. Both Keno and Kansas Hold'em, our monitor games, are showing a drop in sales. These games are played mostly in social environments and have been showing slight decreases the last few years. We presently have a promotion with Kansas Hold'em, promoting Dodge City and the Boot Hill Casino called Boot Hill Bounty.

Beginning January 31, 2010 the Powerball states and states carrying the game Mega Millions began cross selling the games, and that has not proved to be a profitable move. The games have not achieved high jackpots, due to the great increase in population with cross selling. Last week we did see a jackpot of \$380 million in Mega Millions and sales did improve.

III. Transfers

The 2002 legislature allowed the Lottery to modify the method of calculating transfers made each month. Rather than the statutory provision of transferring 30% of gross sales each month, the Omnibus bill allowed for minimum monthly transfers of \$4.5 million, and a minimum annual total of \$59 million. This request was made to give us more flexibility in operations and make it possible to increase prize payouts to bolster sales. As a result of these changes, the lottery has

been able to boost payouts on our instant products which have helped boost our sales, and thus the overall amount of money transferred. This has been continued in the Omnibus bill each year since, with the target transfer for this fiscal year being \$72 million. Since this change was made, transfers have increased from \$60.5 million in FY 2002, to approximately \$70 million the past few years.

IV. Operations

Our primary focus continues to be security, both in our gaming system and field operations. We have eliminated the ability of programmers to access the gaming system unaudited by adding a test system, detached from the gaming system, for developing new programs. We have also continued to increase the audit functions, or oversight, on the gaming system. In the last security audit conducted for Legislative Post Audit, Delehanty Consulting LLC reported no significant security issues.

Last year we initiated the Retailer Honesty Assurance Program, to make sure our players are treated fairly by retailers. Tickets appearing to be winning tickets were presented to a number of retailers. On six occasions the person working informed our undercover agent that the ticket was not a winner. Those persons were prosecuted by the Office of the Attorney General for Attempted Theft and Computer Crimes. Both charges are felonies. All six were convicted. Three of the people charged were owners of the businesses or a family member. Those contracts were immediately terminated. We allowed the other three retailers to continue selling, if the offending employee was terminated.

We are required to survey retailers to ensure compliance with the Americans with Disabilities Act, which is a continuing responsibility. We continue to enjoy a good working relationship with Anthony Fadale, State ADA Coordinator. All surveys are conducted by our security division.

Last year we paid retailer commissions of \$13,670,888, with total commissions paid through FY 10 of \$221,454,448.

V. Partnerships

We continue to develop marketing partnerships with Kansas businesses and industries. As you are aware, we market games with Kansas Speedway, the Kansas State Fair, Midwest Ford Dealers and General Motors. We have also promoted tourism in our state with "Flint Hills Treasures," "Sunflower State Games" and most recently "Painted Byways" a game featuring our nine scenic byways and artwork by Stan Herd. We enjoyed a great partnership with the Kansas Department of Transportation, Kansas Department of Commerce and the Kansas Arts Commission in promoting the byways of Kansas. We will soon launch a game called "Kansas - 150" featuring a second chance drawing for one of ten original art works by Kansas artists. This is to bring awareness of our Sesquicentennial. Other partners include the Wichita Riverfest, the 3i Show, Garmin, Cabela's, Bass Pro Shops and Kansas Department of Wildlife and Parks. Our intent with these "Made in Kansas" games is to increase the exposure of Kansas business, industry and tourism, as well as to generate enthusiasm in Kansas citizens for our games. Thus

far with this project over the past few years, we have spent over \$6.5 million with Kansas businesses and tourism.

There are a number of businesses in the lottery industry that license certain products for use of logos and use their merchandise for prizes in conjunction with lottery games. These licenses are quite often very expensive, so we have tried to generate the same effect of "brand" or name recognition, and hopefully help a Kansas business or tourism in the process. Instead of costing the Lottery extra, the merchandise has been provided at reduced cost, with no charges or minimal charges for the use of logos and names. This seems to be a good way to stimulate economic development in Kansas, while generating revenue for the state.

We do still use some licensed games, as they do generate excitement with players and sometimes attract new and lapsed players.

VI. Veteran's Benefit Games

In FY 2010 we transferred \$1,030,443 for Veteran's programs, bringing the total to \$6,503,674. Presently the transfer goes 40% for National Guard Educational Assistance Act scholarships, 30% to the Veteran's Home fee fund and 30% to the Veteran's Enhanced Service Delivery Program.

VII. New Games this Year

We now have the capacity to conduct raffle style games after the completion of the system conversion and just completed our second raffle, called "The Holiday Millionaire Raffle." A state employee from Topeka won \$1 million. We also had five \$50,000 winners and five hundred \$500 winners in the game. We had 150,000 tickets in the game which launched in October. All tickets sold out, proving the game to be a huge success.

VIII. EXPANDED GAMING

A. SOUTHEAST GAMING ZONE (Crawford and Cherokee counties)

Following the 2008 withdrawal of Penn National Gaming to become a lottery gaming facility manager applicant in the Southeast Gaming Zone the application process was recommenced. Several deadlines for new applications had passed before one was received in October, 2009; however, that application was rejected in part because the applicant failed to demonstrate adequate Class III gaming experience and sufficient access to financial means to make the project viable. Most potential managers have stated their belief the required minimum \$250 million investment in infrastructure is not feasible in that gaming zone. The current deadline to file applications in the Southeast Gaming Zone is January 20, 2011. The Kansas Lottery Commission is expected to once again extend that deadline when it meets on January 19.

Representatives Gatewood and Grant have pre-filed a bill seeking to amend the Kansas Expanded Lottery Act. Among other things, the bill seeks to lower the minimum investment and the privilege fee required to be paid by a manager in this gaming zone.

B. SOUTH CENTRAL GAMING ZONE (Sumner County)

In 2008 the Lottery successfully negotiated contracts with three manager applicants in this zone. Of those, the Lottery Gaming Facility Review Board (Review Board) chose Sumner Gaming Joint Venture, whose casino was to have been operated at the Mulvane exit of the Kansas Turnpike under the Harrah's name. Before that contract became binding they chose to withdraw, citing the worldwide financial crisis.

Prior to the new deadline of April 1, 2009, the Lottery received applications from the following three entities: Lakes Development; Chisholm Creek (Foxwoods, owned by the Mashantucket Pequot Tribe); and Prairie Sky (Peter Simon, John Ensign, and others). Prior to negotiating a final contract Prairie Sky withdrew and Lakes Development and Chisholm Creek combined their efforts under the Chisholm Creek application, thereby leaving one joint applicant in the zone. Citing the poor economy and threat of a tribal gaming facility being built in Park City, Kansas (near Sumner County) by the Wyandotte Tribe, Chisholm Creek withdrew its application in April 2010.

For the third time the Lottery solicited bids for a manager in the South Central Gaming Zone and established a new 90-day application period. Three applications were received prior to the July deadline. Global Gaming KS, a subsidiary of Global Gaming Solutions (owned by the Chickasaw Nation of Oklahoma) proposed a site near Wellington. Harrah's, which had won the bid during the first round, and Peninsula Gaming Partners, a subsidiary of Peninsula Gaming, LLC, each proposed sites near Mulvane.

The Lottery successfully negotiated contracts with all three applicants; however, on the day the Lottery Commission was to consider approving those contracts Harrah's once again withdrew. The Lottery Commission approved the remaining two contracts, which by law were subsequently forwarded to the seven-member Lottery Gaming Facility Review Board.

As with all prior contracts, the Review Board engaged various experts and conducted a series of hearings, which in December culminated in selection of Peninsula Gaming's "Kansas Star" casino by a 6-to-1 vote. That selection was communicated to the Kansas Racing and Gaming Commission to conduct the security and suitability investigation, which is the last leg of the approval process. The KRGC's Commission is currently scheduled to hear staff reports, deliberate, and vote on approval of Peninsula Gaming at its meeting on Friday of this week (January 14).

If approved, the Kansas Star Casino would eventually house approximately 1,500 slot machines and 42 table games, with a 150-room hotel, equestrian show and events center, restaurants, and a variety of other typical amenities. That process would take about two years; however, in order to expedite the receipt of income by the State and the manager, no later than 13 months after final approval an interim gaming facility would be opened. The interim facility would house approximately 1,310 slot machines and 32 tables games, which would be temporarily housed in what will eventually become the permanent equestrian and

events center. Projected net gaming facility revenue for the first full year of the interim facility is \$159 million, rising to an estimated \$213 million annually by the time the casino is fully built out in 2016. NOTE: "Net gaming facility revenues" are all amounts wagered less prizes paid, which net amount is then available for distribution to the State (22%), the manager (73%), the city and county (1.5% each), and the Problem Gambling and Addictions Grant Fund (2%).

C. NORTHEAST GAMING ZONE (Wyandotte County)

In 2008 contracts were signed by a total of five applicants but two withdrew before getting to the Review Board stage. The Review Board selected Kansas Entertainment, LLC, which was comprised of The Cordish Company and International Speedway Corporation/Kansas Speedway. Once again, immediately prior to their contract becoming binding they withdrew based upon financial stresses being experienced around the world.

Bids were re-opened with a new deadline of April 1, 2009. Three applications were received, as follows: Penn National Gaming; Kansas Entertainment (International Speedway Corporation and the Cordish Group, the same entity previously selected by the Review Board); and Golden Gaming. Golden Gaming dropped out of the process almost immediately but contract negotiations commenced with the two remaining applicants.

The Lottery had negotiated a final contract with Kansas Entertainment and was all but done with the Penn National contract when both applicants asked for the process to be suspended for a short period of time. At the end of that time the applicants announced that the Cordish Group was withdrawing from the Kansas Entertainment application and Penn National would be taking its place. Further, the "Hard Rock" name and theme of the casino would be changed to "Hollywood Kansas Casino at Kansas Speedway."

The Review Board conducted its standard series of hearings, which in December 2009 resulted in a unanimous decision to approve the Kansas Entertainment contract (now comprised of International Speedway Corporation and Penn National Gaming). The Kansas Racing and Gaming Commission (KRGCC) finalized its background and suitability investigation and voted to approve the manager on February 12, 2010.

Kansas Entertainment immediately commenced construction of the "Hollywood Kansas Casino at Kansas Speedway" on the second turn of Kansas Speedway in Kansas City, Kansas. An official groundbreaking ceremony was held in April. Over one million cubic yards of earth were moved for the project. Construction has continued on schedule with most of the utilities, foundation, and related infrastructure having been completed. Portions of the steel skeleton have also been erected. The target opening date is the first half of calendar year 2012.

At opening the gaming floor will house approximately 2,000 slot machines and 54 table games. Amenities include a covered parking garage, restaurants, clubs, retail, and night-life attractions. The second phase of the project includes not only additional gaming floor space, but a hotel with a minimum of 250 rooms, which is to be completed within 24 months of the initial opening of the casino, along with additional meeting facilities, lobby bar, and other

food and beverage amenities. Net annual gaming facility revenue estimates for the facility are approximately \$200 million.

D. SOUTHWEST GAMING ZONE (Ford County)

In 2008 the Lottery contracted with both of the entities submitting applications in the Southwest Gaming Zone. The Review Board chose Butler National Service Corporation as manager of the “Boot Hill Casino & Resort” to be located on the outskirts of Dodge City, Kansas. The KRGC approved the applicant and their contract became binding on December 4, 2008.

A ground-breaking ceremony was conducted on December 22, 2008 and construction commenced immediately thereafter. Following various testing and controlled demonstrations, the Boot Hill Casino & Resort opened to the general public on December 15, 2009.

“Phase I” of the gaming facility included approximately 584 slot machines and 12 table games. Amenities include a full-service restaurant, a snack bar, a “saloon”, and a retail shop. Net gaming facility revenues for approximately the first full year of operations (December 15, 2009 to December 25, 2010) were \$39,030,340. During that period of time the State of Kansas’ 22% share amounted to approximately \$8.6 million.

“Phase II” of the project is to be completed no later than February 2012, which will include the final build-out of a hotel, conference center, spa, swimming pool, and other ancillary facilities. Additional slot machines and table games may also be added. Furthermore, the independently funded “Events Center” being built by Dodge City and Ford County immediately adjacent to the Boot Hill Casino is now substantially complete.

E. RACETRACK GAMING FACILITIES

As reported last year, the Lottery previously negotiated extensively with the Woodlands Racetrack in Kansas City but was unable to reach a final contract. The Lottery agreed the Woodlands would receive virtually every dollar of net machine income they possibly could receive under the provisions of the KELA, but the manager still found that unfeasible. The owner of the Camptown Racetrack in Frontenac had for the most part relied upon the manager of the Woodlands Racetrack to conduct initial negotiations with the Lottery, but he has also publicly stated his opinion that the percentages allocated by statute are insufficient to create an acceptable return on investment.

Because there is very little (if anything) more the Lottery could offer them, both parimutuel licensees stated their intent to seek amendments to the KELA during the 2009 and 2010 legislative sessions, but no such amendments materialized. In the meantime, the Kansas Racing and Gaming Commission revoked both parimutuel licensees’ licenses to conduct races.

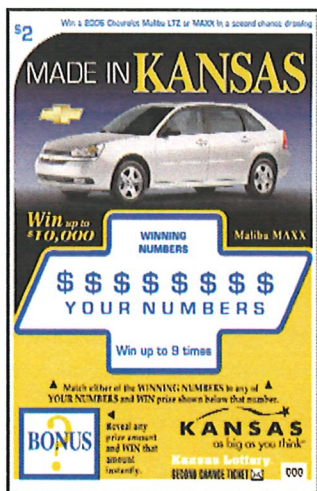
The previously-mentioned bill sponsored by Representatives Gatewood and Grant would (again, among other things) re-allocate the electronic gaming machine revenues and give the parimutuel licensees a larger portion.

PROMOTING KANSAS WITH THE LOTTERY'S MADE IN KANSAS GAMES

Made in Kansas games promote Kansas businesses, industry and tourism by offering Kansas-made products and Kansas areas, attractions and events as grand prizes in second-chance drawings.

The games are a result of a strategic alliance formed by the Kansas Lottery and the Kansas Dept. of Commerce.

The state tagline "KANSAS, as big as you think" appears on these tickets.



Game: **Made in Kansas**

Launched: October 2005

Partner: General Motors Fairfax Facility,
Kansas City, Kan.

Second-Chance Grand Prizes: Two 2006
Chevrolet Malibus

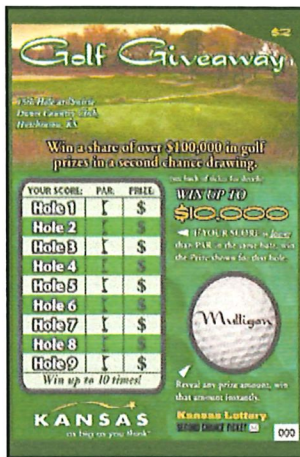


Game: **Kansas Chopper**

Launched: January 2006

Partner: Big Dog Motorcycles and Wichita River
Festival, Wichita

Second-Chance Grand Prize: Custom Big Dog
Motorcycle

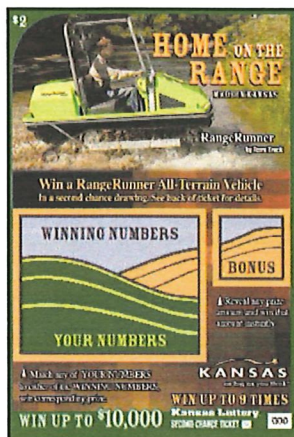


Game: **Golf Giveaway**

Launched: January 2006

Partners: 2006 U.S. Senior Open; Prairie Dunes Country Club, Hutchinson

Second-Chance Grand Prizes: 25 trips for two to U.S. Senior Open Championship

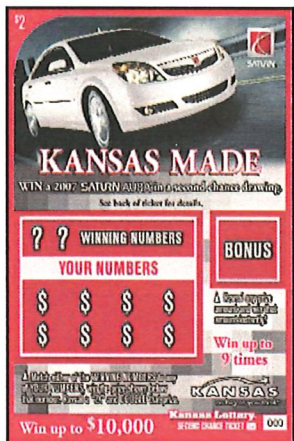


Game: **Home on the Range**

Launched: April 2006

Partner: RangeRunner by TerraTrack, Clay Center

Second-Chance Grand Prizes: Two RangeRunner ATVs



Game: **Kansas Made**

Launched: August 2006

Partner: General Motors Fairfax Facility, Kansas City, Kan.

Second-Chance Grand Prize: 2007 Saturn Aura



Game: **Cool Cars**

Launched: October 2006

Partner: Swartz Motorsports, Strong City

Second-Chance Grand Prizes: Four custom golf cars



Game: **Flint Hills Treasures**

Launched: October 2006

Partner: Flint Hills Tourism Coalition

Second-Chance Grand Prizes: Five Flint Hills trips

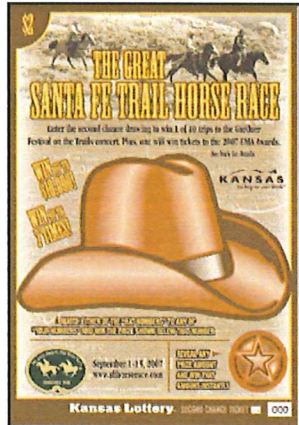


Game: **Luxury & Loot**

Launched: December 2006

Partners: Cobalt Boats, Neodesha; Wichita River Festival

Second-Chance Grand Prize: Cobalt 222 boat

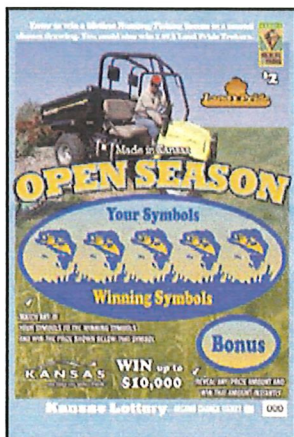


Game: **The Great Santa Fe Trail Horse Race**

Launched: February 2007

Partner: The Great Santa Fe Trail Horse Race

Second-Chance Grand Prizes: 10 trips to "Festival on the Trails" in Gardner and 1 trip for two to Country Music Association Awards in Nashville



Game: **Open Season**

Launched: May 2007

Partners: Land Pride, Salina; Kansas Department of Wildlife & Parks

Second-Chance Grand Prizes: Three Land Pride Trekkers and lifetime Kansas combination hunting and fishing licenses

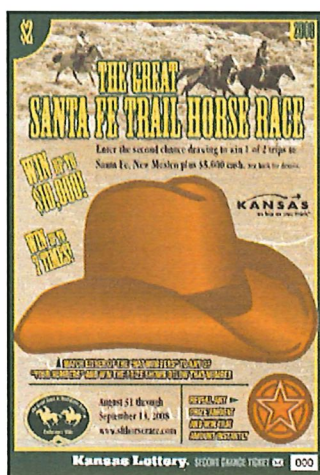


Game: **Cougar and Cash**

Launched: December 2007

Partners: Cougar Custom Boats, Hill City; Garmin Ltd., Olathe; Wichita River Festival

Second-Chance Grand Prizes: Two Cougar Custom Boats "Infinity 201" boat packages including Garmin Fishfinders



Game: **The Great Santa Fe Trail Horse Race**

Launched: April 2008

Partner: The Great Santa Fe Trail Horse Race

Second-Chance Grand Prizes: 2 Trips to Santa Fe, New Mexico

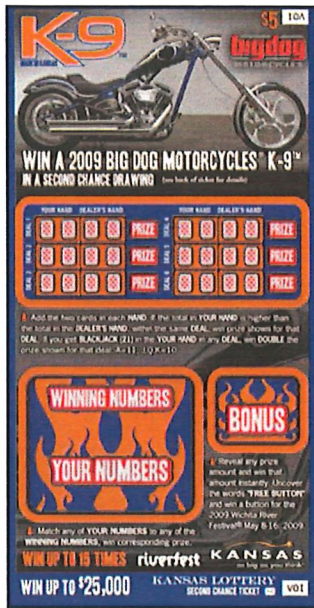


Game: **Garmin**

Launched: May 2008

Partners: Garmin Ltd., Olathe

Second-Chance Grand Prizes: 20 Garmin merchandise packages

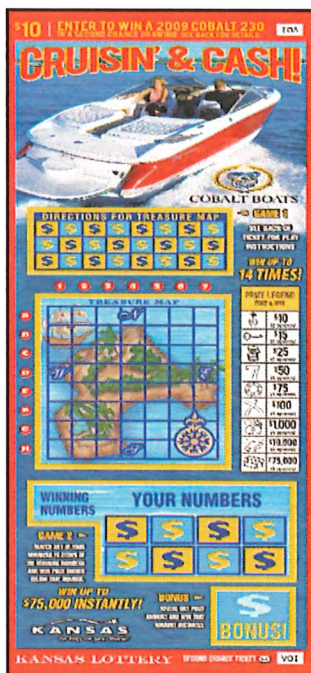


Game: K-9

Launched: December 2008

Partners: Big Dog Motorcycles, Wichita; Wichita River Festival

Second-Chance Grand Prizes: 2009 Big Dog Motorcycles K-9 Chopper

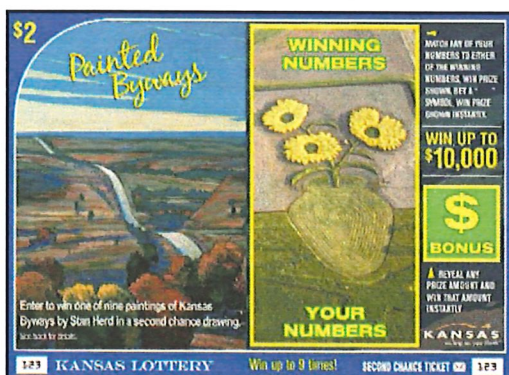


Game: Cruisin' & Cash

Launched: April 2009

Partner: Cobalt Boats, Neodesha

Second-Chance Grand Prize: Cobalt 230 boat



Game: Painted Byways

Launched: May 2009

Partners: Kansas Artist Stan Herd, Kansas Arts Commission, Kansas Department of Transportation, Kansas Dept. of Commerce

Second-Chance Grand Prizes: 9 original Stan Herd paintings, one of each of Kansas' scenic byways

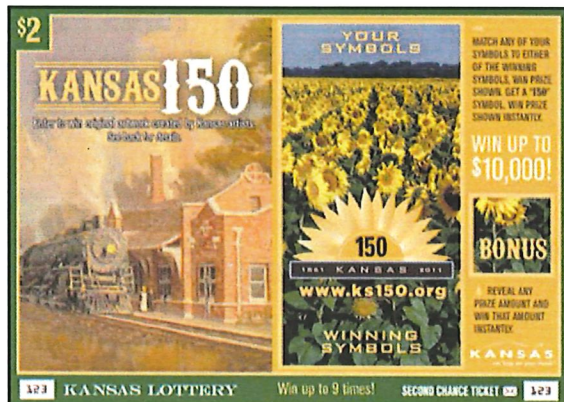


Game: **World Class...LaCrosse**

Launched: March 2010

Partners: General Motors Fairfax Facility,
Kansas City, Kan.

Second-Chance Grand Prizes: two 2010
Buick LaCrosse Luxury Sport Sedans



Game: **Kansas 150**

To Launch: January 2011

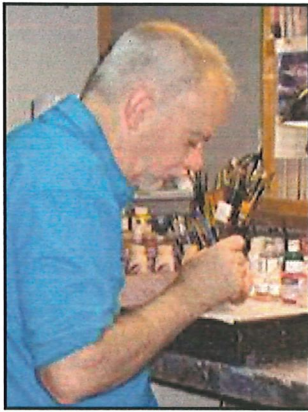
Partners: Kansas Arts Community

Second-Chance Grand Prizes: 10
original paintings by Kansas artists, all
commemorating the Kansas
Sesquicentennial

OTHER IMPORTANT LOTTERY PARTNERS

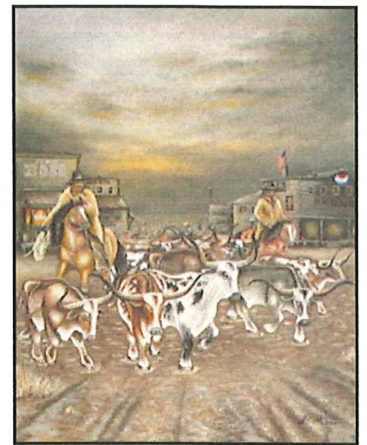
Kansas Speedway
Midwest Ford Dealers
3i Show
Harley-Davidson Dealers
Cabela's
Bass Pro Shops
Dodge City Steak Company
Kansas State Fair
Country Stampede
Kansas City Renaissance Festival

KANSAS 150 ARTISTS

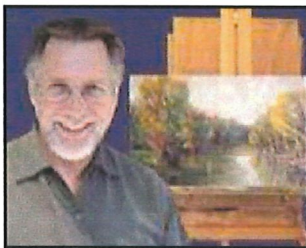


Joe Bucher

For the last 34 four years, wildlife artist Joe Bucher, has primarily worked in acrylic and oil. In addition, he has excelled in the creation of collectible duck calls and other carvings. His 1979 entry in the Federal Duck Stamp Competition came in 27th out of more than 4,000 entries; his Kansas entry came in 7th place in 1989. Only a handful of artists compete and win in Decorative Duck Call Competition across the United States culminating in the world championship. Joe's works have placed 1st in the decorative division, and he has won the Chairman's Award and the Grand National Design Award for hand-carved/hand-painted duck call collectibles.

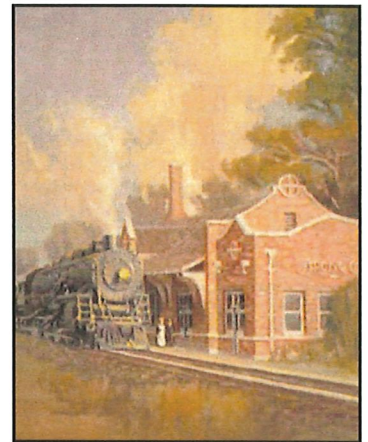


"Cattle Drive up the Chisholm Trail" - images of cowboys leading a herd of longhorns as they enter town. Oil on canvas.



Michael J. Walsh

Michael J. Walsh has received 2007 & 2010 MAPS National Exhibition Awards; Arts for the Parks Top 100-Bronze Medallion Marine Art Award of Merit, 2005; International Artist Magazine, 2005; KCAA Annual Exhibition, Best of Show, 2005; Representation: Buttonwood Art Space, 75th St. Gallery, Kansas City, Mo.; SouthWind Gallery, Topeka, Kan.; Signs of Life Gallery, Lawrence, Kan.; Jamie Lavin Contemporary Art Picture Framing and Restoration.

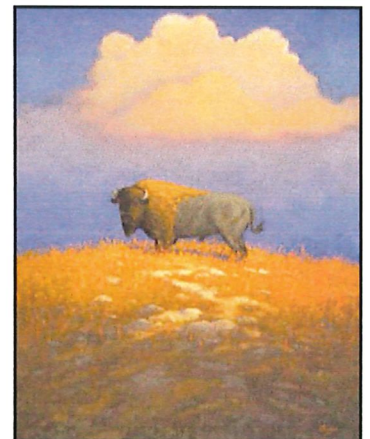


"The Train Station in Strong City" - historical perspective of the influence of passenger train service in Kansas. Oil on board.



Gary Ozias

Gary Ozias has been painting both at his studio (Prairie Wind Art Gallery and Studio) and outdoors for over thirty years, and his work has earned numerous national awards from coast to coast. He paints mostly in oils and pastels, specializes in landscape work, and his work can be viewed at his Website www.garyozias@nckcn.com.

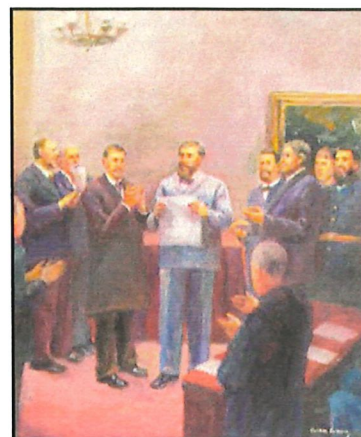


"Kansas Pride, the American Bison" - This image is a stalwart of the Kansas Plains, rough and independent, not domesticated, and free. Oil on board.



Chun Wang

Chun Wang was born in Nanjing, China and completed his formal studies in China. He emigrated to the U.S. in 1992 where he continued to study painting and received his MFA at the Univ. of Missouri. Later, he pursued a career in painting and illustration full-time. He has participated in many shows, including the Oil Painters of America Annual Exhibition. His paintings are collected publicly and privately.



"The Wyandotte Convention" - Kansas had four major conventions to try to enter the Union. This scene depicts those who eventually signed the document. Oil on canvas.

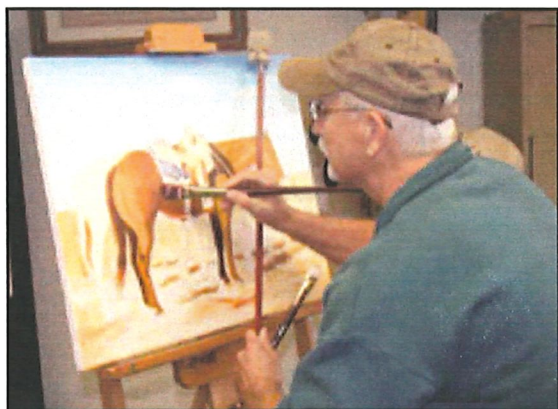


Cathie Thompson

Cathie Thompson grew up on a farm in eastern Kansas. Later she and her husband raised their children on his family's ranch at the edge of the Flint Hills, in Wabaunsee County, Kansas. A lot of her inspiration comes from scenes of the land in Wabaunsee County that her husband and she still own. Cathie and her husband now reside in Lenexa, Kan. Living in rural Kansas for most of her life has given Cathie a great appreciation for the outdoors and nature. She enjoys painting outside whenever possible. Most of her work is done in acrylic and oil, and occasionally watercolor.

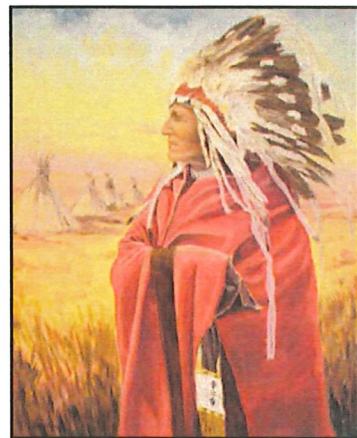


"Modern Farming" - This piece depicts a 21st century perspective of modern farm implements and their drivers. Oil on canvas.



Don Dane

Award-winning Olathe, Kansas, artist Don Dane has been featured in Western Horseman, American Cowboy, Horses In Art and Cowboy Magazine. His art has been featured on numerous festival posters. Website: www.dondanestudio.com



"Native American Chief" - This is one of many pieces Don has accomplished of a central United States Territory Indian Chief. Oil on canvas.



Susan Sinclair-Shields

Susan Sinclair-Shields specializes in Aviation, Sports Art and Portraits. She is a member of the American Society of Aviation Artists (ASAA). She has received awards at Ward Parkway Winter Art Show, 1st place in Acrylic, 2nd place in pastels. Best of Show at Town Art Show. Her work has been displayed on billboards, air show programs and has decorated magazine covers.

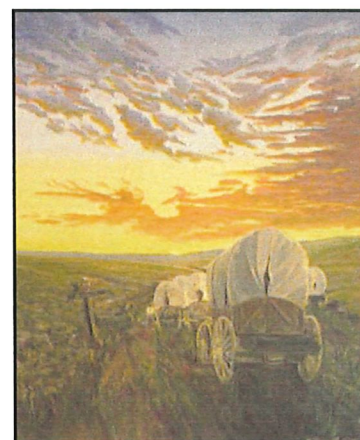


"Kansas Aviation History" - This collage features the B-29 built in Fairfax Industrial Plant for WWII, the red aircraft of Amelia Earhart and a bust likeness of her. Acrylic on canvas.



Jamie Lavin

Jamie Lavin is a two-time Amdur Award Winner for his abstract, galactic works. His representational images of the Flint Hills garnered the winning entry in the poster contest for "Symphony in the Flint Hills" in 2008. From earlier work on the Gardner, Kan., Historical Museum's mural, this painting of "Where the Trails Divide", reminds us of the long struggle ahead for these people in wagon trains, and how many simply came to call Kansas home.

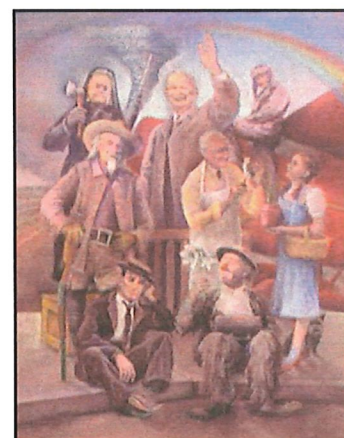


"Sunset - Where the Trails Divide" - Gardner is where the Santa Fe and Oregon Trails divided paths and is home to Jamie and his family. Oil on canvas.



Elaine Lierly Jones

Kansas City native Elaine Lierly Jones has risen rapidly in the arts world and is recognized as a highly talented pastel painter. Among her awards, Elaine received an Honorable Mention in the 2010 Annual Pastel 100 Competition, 2009 Grand Prize purchase award by Paint the Parks Mini50, and in 2008 won the Juror's Award in the PaintAmerica Mini50. Also in 2008, she was chosen by The Artist's Magazine as a finalist in the Animal/ Wildlife Category. Website: www.elainelierlyjones.com



"Famous Kansans" - This collage includes Emmett Kelly, Dwight D. Eisenhower, Buffalo Bill Cody, Amelia Earhart, Buster Keaton, Judy Garland (who played "Dorothy" in the Wizard of Oz), George Washington Carver, and Carrie Nation. Pastel on pastel board.



Daniel Brewer

Historical illustration has been Daniel Brewer's hallmark, though he's made his primary living as a graphic artist and sign painter. He completed several murals in the River Market in Kansas City, but only one still exists today. The Bulter, Missouri Square hired him for three large and magnificent murals that dated from the late 1600s until modern day. In 2001 he painted murals in the Loose Mansion depicting life at the beginning of the 20th century. Dan's love of history and skill in composition have brought him to paint full time in his studio on the west side of State Line Road, at the edge of the Antique District.



"Nicodemus, Kansas" - This area in central Kansas was the first "negro" settlement in Kansas, being issued its own zip code, and is maintained today by the National Park Service. Oil on canvas.

- These paintings will be featured on the front of the Kansas Lottery's **Kansas 150** ticket artwork.

Testimony Regarding
Gaming Compact
between the
State of Kansas and Wyandotte Nation

Before the
Senate Federal & State Affairs Committee
January 12, 2011

Mr. Chairman, members of the Committee, my name is Carol Foreman, Governor Parkinson's designee to conduct negotiations on a gaming compact with the Wyandotte Nation.

Thank you for the opportunity to appear before you today to discuss the proposed compact.

Background

The Wyandotte Nation requested negotiations of a tribal-state compact with the State of Kansas for Class III Gaming on the Shriner's Masonic Temple in Kansas City, Wyandotte County, Kansas on August 2, 2010. With that request the Wyandotte Nation submitted a proposed compact almost identical to the four existing Indian Gaming Compacts. The Wyandotte Nation was advised on September 14, 2010 that Governor Parkinson designated Carol Foreman to conduct negotiations on the Compact. Negotiations between the State and the Wyandotte Nation commenced shortly thereafter and concluded resulting in the proposed Compact and its Appendices being discussed today.

Good Faith Principle

The Indian Gaming Regulatory Act creates a duty on states to negotiate in good faith with tribes. Kansas has four existing Indian Gaming Compacts that for all practical purposes are considered almost identical. Hence the duty to negotiate in "good faith" required the negotiated compact with the Wyandotte Nation to be very similar to the four existing Indian Gaming Compacts.

Issues Considered and Addressed in Proposed Compact

- Park City
- Administrative
 - Advanced technology
 - Responsible gaming
 - Assessment
 - Conversion
- Subject to Tribal Gaming Oversight Act