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## Opposition Testimony

Senate Committee Federal and State Affairs Committee

### SB 322

**An Act concerning gaming; relating to sports wagering; authorizing any compact with a federally recognized Indian tribe to include provisions governing sports wagering outside the boundaries of Indian lands.**

**March 27, 2023**

Good morning, Chairman Thompson, and Members of the Committee:

On behalf of Kansas Entertainment, LLC, the owner of Hollywood Casino at Kansas Speedway, we appreciate the opportunity to offer comments in regard to our concern with SB 322.

As committee members are well aware, the Kansas Legislature approved SB 84 during the 2022 session clearing the way for Kansas to join with more than thirty states that allow for the provision of sports wagering through the brick-and-mortar state-owned and operated casinos as well as through a mobile application. The bill also provided for the State's four recognized Native American Tribes to offer sports wagering within the confines of their casino properties as well as through a mobile application.

We understand SB 322 is sought by one or more of the State's four recognized Tribes to facilitate their ability to offer sports wagering.

We worked with representatives of the Prairie Band Potawatomi Nation during the 2022 session and in general terms, we agreed to the Resident Tribes being able to offer sports wagering under the same rules as the state-owned and operated casino managers – On reservation and through a mobile application. However, as we understand SB 322, that may not be the case.

Herein lies our concerns:

- SB 84 imposes a tax on sports wagering at ten percent of the hold. The Tribes would not be required to collect or impose a similar tax or fee and that places the casino managers at a competitive disadvantage.
- The Tribes are not confined to extending wagers to those allowed by the casino managers and that potentially places the casino managers at a competitive disadvantage (e.g., certain prop bets, restrictions imposed by the State on the casino managers for certain sports or events, etc.).

- In other states, we have seen efforts by Tribes to extend their gaming options beyond sports wagering to include other games of chance, such as iCasino. Such efforts are subject to litigation, but we cannot predict the outcome of those cases.
- We understand the State has an obligation to negotiate with the Tribes in good faith and we respect that. We also understand the Legislature has a role in considering a State/Tribal Compact and if agreement can be reached between the parties during development of that agreement, perhaps some of our concerns can be addressed in that agreement.
- Different/competing regulatory framework (Kansas Racing Gaming vs. Tribal Regulation).

We understand the urgency for consideration of this bill by the proponent. However, we would ask for a reasonable delay in order to allow for the proponent and representatives of the casino managers to meet and consider how we may tighten this legislation up and ensure all providers of sports wagering are operating on a level playing field.

On behalf of Kansas Entertainment, LLC, I appreciate the opportunity to convey our concerns to you today and will stand for questions at the appropriate time.

WBD

#### **About Kansas Entertainment:**

Kansas Entertainment, LLC is a joint-venture partnership of Penn Hollywood Kansas, Inc., and Kansas Speedway Development Corporation, and was selected by the State of Kansas in 2009 to develop a destination casino for the Northeast Kansas Gaming Zone. Since opening in 2012, Hollywood Casino and Kansas Speedway has paid over \$465 million in taxes and fees to the State and local government, provided over \$10 million in charitable contributions and currently employs more than 600 local team members.

#### **About Penn Entertainment:**

With the nation's largest and most diversified regional gaming footprint, including 44 properties across 20 states, Penn National is a highly innovative omni-channel provider of retail and online gaming, live racing, and sports betting entertainment. Our wholly-owned interactive division, Penn Interactive, operates retail sports betting across the Company's portfolio, as well as online social casino, bingo, and iCasino products. In February 2020, Penn National entered into a strategic partnership with Barstool Sports, whereby Barstool is exclusively promoting the Company's land-based and online casinos and sports betting products, including the Barstool Sportsbook mobile app, to its national audience. In addition, in October 2021, Penn National acquired Score Media and Gaming, Inc. ("theScore"). Combined with the power of Barstool Sports and theScore, Penn National has become North America's leading digital, entertainment, sports content, gaming, and technology company. The Company's omni-channel approach is further bolstered by its mychoice loyalty program, which rewards and recognizes its over 25 million members for their loyalty to both retail and online gaming and sports betting products with the most dynamic set of offers, experiences, and service levels in the industry.

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