

Tribes could face new competition from commercial casinos

Topeka, Kansas – The four American Indian tribes that run casinos in Kansas are discussing ways to respond to competition if state-owned gaming complexes open in a few years.

Three of the tribes are planning to bid on the state-owned casinos to keep as many customers as possible, while a fourth is considering suing the state to stop expansion of gambling in Kansas.

The tribes are responding to a new law passed in the last legislative session that permits construction of four casinos in the state and slot machines at three horse- or dog-racing tracks. The law requires local voters to approve the new gambling. Winning bidders will handle the day-to-day operations of the casinos.

If the casinos are built, gamblers who currently frequent tribal casinos in Horton, Mayetta, Powhattan and White Cloud will have other choices.

State Sen. Jim Barone, D-Frontenac, believes the tribal casinos will have to improve their facilities or become involved in the statewide casinos to stay competitive.

„Those who don't offer an improved product will probably suffer,“ Barone said.

The new state law permits casinos in Wyandotte County, Ford County, either Cherokee or Crawford County in southeast Kansas and either Sedgwick or Sumner County in south-central Kansas.

Currently, the tribes operate casinos under government

compacts but don't share profits with the state. Under the new law, the state would receive 22 percent of the gross revenue from the state casinos.

Prairie Band Potawatomi Nation in Mayetta, the most successful of tribal casino operators, has threatened to sue, contending the Kansas Constitution does not allow the state to hire private developers to run gambling operations.

„We think it's unconstitutional,“ said Tracy Stanhoff, Prairie Band's tribal chairwoman. „We're all for fair and impartial competition, but we don't think this is going to promote that.

„It will create tremendous loss of revenue for all the casinos,“ Stanhoff said. „We don't think there's a business case for all these machines going in across the state.“

The other three tribes plan to bid on contracts for state-owned casinos.

„We're very hopeful and excited about the opportunity,“ said Steve Cadue, chairman of the Kickapoo tribe, which runs a casino in Horton.

The Kickapoo and the Sac and Fox tribe, which runs casino in Powhattan, are developing a joint bid for Wyandotte County. And the Iowa Tribe of Kansas and Missouri is part of an investment group planning to propose a \$ 340 million casino, hotel and restaurant project for Sedgwick or Sumner County.

Fredia Perkins, chairwoman for the Sac and Fox Nation of Missouri in Kansas and Nebraska, said stagnant tribal gaming revenues and the gambling expansion require a fresh approach.

„We have to make decisions how to maintain our infrastructure and programs for our elderly and children (which are largely paid for by gaming revenue),“ she said.

At Gov. Kathleen Sebelius' request, Attorney General Paul Morrison has agreed to file a lawsuit to test the law's

constitutionality, with an eye toward having it upheld. But he hasn't said when he'll do that.

The process of licensing a developer will start first for southeast Kansas, where Crawford County approved expanded gambling in April 2005 and Cherokee County on June 5. Aspiring developers have until Sept. 6 to submit applications to the Kansas Lottery.

Voters in Ford and Wyandotte counties plan to vote June 26. If both counties approve, potential developers will have 90 days to submit applications from the time votes are certified.

Sedgwick County's vote is scheduled for Aug. 7.

The Lottery Commission plans to meet Friday to discuss whether a December 2005 vote in Sumner County is sufficient to demonstrate its voters' approval.