

Senate panel endorses plan to block Iowa casino

Pierre, South Dakota – A proposed constitutional amendment that could lead to a huge casino in Sioux Falls was approved Wednesday by a South Dakota Senate Committee.

The measure's main sponsor, Senate Democratic Leader Scott Heidepriem of Sioux Falls, said SJ1 is not aimed at building a Sioux Falls casino but is intended to be a threat to prevent construction of a casino in Larchwood, Iowa, only a few miles from Sioux Falls.

„My desire is to see there is no casino in Larchwood and no casino in Sioux Falls,“ Heidepriem said. „My goal is to not have any more gaming.“

But Senate Republican Leader Dave Knudson of Sioux Falls said the proposal could lead to a huge growth in gambling.

„Regardless of the motivation, this is unbridled growth in legalized gambling,“ Knudson said.

The State Affairs Committee voted 6-3 to send the proposed constitutional amendment to the full Senate. If the Legislature approves, voters statewide would decide in the 2010 general election whether to add the language to the South Dakota Constitution.

The proposal would let the Legislature authorize „any game of chance, lottery or gift enterprise“ if reasonably necessary to counter legal gambling in a bordering state that would threaten South Dakota's prosperity or social well-being. The Legislature could authorize such gambling only if the governor notifies lawmakers of a threat.

Last fall, residents of Lyon County, Iowa, voted to allow a

USD 90 million golf course, casino and resort in the Larchwood area. It is intended to draw customers from the population base in Sioux Falls, S.D., just a few miles away.

The project is being held up by the Iowa Gaming Commission, which won't accept any new applications for casinos until a study is completed assessing the state's gambling industry.

Heidepriem said if the Legislature puts the proposed constitutional amendment on the ballot, the possibility of a Sioux Falls casino could create enough uncertainty to drive investors away from the Larchwood project.

He said it would defend Sioux Falls and the rest of South Dakota from the harm that could be caused by gambling operations in other states. Iowa law would require the Larchwood casino to buy 90 percent of its goods and services from Iowa companies, which would mean Sioux Falls companies could not do business with the casino, he said.

Another sponsor, Sen. Gene Abdallah, R-Sioux Falls, said if the Larchwood casino is built, Sioux Falls would get none of the economic benefits. But customers would bring drunken driving, crime, financial problems and gambling's other social ills back home to South Dakota, he said.

If Sioux Falls has a casino, at least people would stay and spend money in South Dakota instead of in Iowa, Abdallah said.

Fed Assam, a lobbyist for the Flandreau-Santee Sioux Tribe, said the tribe supports the bill because the Larchwood facility would compete with the tribal casino in Flandreau. „With respect to my client, it's a matter of life and death,“ he said.

But Knudson said the amendment's language would let the Legislature expand gambling with „no limits whatsoever.“

„I just think the people of South Dakota do not want increased

legalized gambling. We have plenty right now," Knudson said.

Heidepriem said his proposal is not intended to lead to an unbridled growth in gambling, but rather to prevent growth. The Legislature could resist a request for a Sioux Falls casino, or could limit the size of such a facility, he said.

Knudson countered that the gambling industry has demonstrated it has a huge ability to control government in the state. „I just wonder which one of us is naive on the impact of the gambling industry on the Legislature," he said to Heidepriem.