

**NOTE:** KYCPG apologizes for the delay in distributing this issue of Inside the Numbers. The editor is hoping the proper timing will be reestablished next month. KYCPG thanks you for your patience.

## **Two Gambling-Related Bills Pass 2004 Kentucky Legislature**

A bill to permit a pari-mutuel wagering hub in Lexington and a measure to create the Kentucky Horse Racing Authority were the only gambling-related legislation that passed the 2004 Kentucky General Assembly session that adjourned on April 13. Fourteen bills — ranging from creation of a Compulsive Gamblers Assistance Fund to legalizing casino gambling at various locations around the state — were introduced in the 60-day session. The General Assembly adjourned without passage of a budget, leaving funding of state government for the fiscal year that begins July 1 in question.

*House Bill 708* allows establishing an international wagering hub in Lexington. The hub will act as a clearinghouse of simulcast pari-mutuel wagering in the Eastern U.S. It can operate independently or in cooperation with existing pari-mutuel facilities or horse-industry organizations.

*Senate Bill 156* ratified Gov. Ernie Fletcher's executive order to abolish the Kentucky Racing Commission and replace it with the Kentucky Horse Racing Authority. The Commission was the subject of investigations and charges of corruption. The Authority was given a broader mandate to not only oversee pari-mutuel and racing regulations but also to promote horse racing and development both in Kentucky and internationally.

The various pieces of legislation to expand gambling in Kentucky never moved beyond initial hearings before the House of Representatives Licensing and Occupations Committee. The governor did not endorse or support any gambling-expansion legislation, nor did the Senate leadership. Although one set of bills to permit full-scale casino gambling at a limited number of sites in the state was introduced by House Majority Leader Larry Clark (D-Louisville), it was not publicly supported by Speaker Jody Richards (D-Bowling Green). The promise of using gambling-expansion revenue to address the state's budget shortfall did not win sufficient support to spur passage.

## **Other States' Developments**

Similar gambling-expansion legislation, with location of casino games or video lottery terminals (VLTs, which simulate slot machines) at horse race tracks, was addressed by state legislatures in Indiana, Maryland, Pennsylvania and Texas. No legislation passed. The proposals in Indiana, Maryland and Pennsylvania cited support for the horse racing industry as well as increased state revenues as chief reasons for passage. In Texas, according to a Texas House of Representatives House Research Organization (*Betting on Video Lottery Terminals to Raise Revenue, March 5, 2004*), the main thrust of that state's proposals was increasing state revenue.

The Texas proponents argued that permitting VLTs at

horse race tracks would spur economic activity without "expanding the footprint of gambling" in the state. They estimated the state would receive \$700 million-1 billion annually one year after full implementation. The proponents claimed VLT revenue is not a "regressive tax." Since participation is voluntary, collections should not be considered a tax. Opponents argued the revenue potential is overstated, with every dollar gained offset by regulatory costs, other lost state revenue, and social costs. The Texas Lottery and pari-mutuel gambling, which were implemented in recent years, have not solved the state's fiscal problems, opponents noted.

## **Kentucky Lottery Challenges**

The Kentucky Lottery marks its 15th year in 2004 and faces an possible gross revenue loss due to the newly implemented Tennessee Lottery. According to the Kentucky Lottery's Chip Polston (who serves as KYCPG secretary), \$75 million in gross revenue will be lost due to declining sales over the next two years. The Kentucky Lottery estimated that \$18-20 million in Powerball tickets, alone, were sold to Tennessee residents last year. The lost revenue will have an impact on the educational programs funded with Lottery proceeds. Polston said the Kentucky Lottery estimates it will take 10 years to rebuild sales to the current level.

In a report published in the *Cincinnati Enquirer*, University of Cincinnati researchers suggest that selling Ohio Lottery tickets via the internet could increase sales up to \$1.18 billion over five years. The Ohio Lottery has not reviewed the report, and the state is not looking at that option. Polston said the Kentucky Lottery has not studied, nor is it considering, internet sales.

## **Quebec Gambling Study**

A study involving 9,000 Quebec adults indicates that 0.8-0.9 percent are probable pathological gamblers, and 1-1.4 percent are at risk of becoming pathological gamblers. Conducted by the National Institute of Public Health in Quebec with support from the University of Laval, the study again supports the consistent research finding that 1 percent of a population is pathological (compulsive) gamblers. It also found that 81 percent of Quebec adults participated at least once in some form of gambling over the last year.

VLTs, casino games and horse-race betting were found to be more likely associated with problem gambling than other forms of gambling. The most popular gambling activities in Quebec are lottery tickets (68 percent), draws (40 percent) and casinos (18 percent). More information can be found at [www.insqp.qc.ca](http://www.insqp.qc.ca).

## **KYCPG Elects New Officers**

KYCPG elected new officers at its April 20 Board meeting. Herbert (Bud) Newman, a counselor with the Morton Center, Louisville, is the new president. The new secretary is Chip Polston, Kentucky Lottery Corporation. Dennis Boyd, University of Louisville, remains as treasurer. Past-president Caleb Cooley, Pikeville, is National Council on Problem Gambling representative. William Skinner, University of Kentucky, is Cooley's alternate.

# History of Problem Gambling Programs in KY

*(NOTE: With this issue, Inside the Numbers begins a series that reviews the history of Problem and Pathological Gambling programs in the state, starting with Churchill Downs.)*

In 1988, Churchill Downs, under the leadership of President and CEO Thomas A. Meeker, became the first racetrack in the horse racing industry to address Problem Gambling directly. Churchill Downs included "compulsive gambling" among the maladies to be dealt with by its Lifestyle Program. As founder of the Lifestyle Program, Dr. Curtis Barrett (currently professional adviser to the Kentucky Council on Problem Gambling) recalls being told, "If you start talking about compulsive gambling, this industry will run you off." Nevertheless, counseling for "compulsive gambling" continued to be provided, and from 1990 through 1994, this disorder was on the agenda of annual nationwide conferences on addictive disorders in horse racing sponsored in part by Churchill Downs.

When Churchill Downs started to expand its operations, Meeker said, "Where Churchill Downs goes, our Lifestyle Program goes." This was applied first at Hoosier Park in Anderson, Ind. In fact, gambling disorders were the focus of the Lifestyle Program expertise that was brought to bear at Hoosier Park. Cathy Rutter and Barrett immediately recognized the need for a Council on Problem Gambling in both Indiana and Kentucky and set about supporting their establishment. Using a grant from Triple Crown Productions, and legal expertise from the corporation, Churchill Downs was successful in establishing the Kentucky Council on Compulsive Gambling in 1994. (The name was changed to the present Kentucky Council on Problem Gambling in 2001.) Although Churchill Downs kept a low profile in the effort, the corporation received the Council's first "industry award" for its contribution. Unfortunately,

the Indiana Council on Problem Gambling did not flourish as well.

While addressing the need for a Council on Problem Gambling in Kentucky, Churchill Downs did not neglect its own corporate backyard. Barrett conducted training on Problem and Compulsive Gambling (now called Pathological Gambling) for all managers. Meeker indicated that the issue of Problem/Pathological Gambling was to be among the corporation's top priorities, with that priority set by the Board of Directors.

A committee on Problem Gambling was set up under the leadership of the Director of Human Resources, Jean Keats. Managers from all sections of the corporation comprised the committee. It was decided that there was an urgent need for a video, reflecting the corporate position on this disorder that could be used in recurrent training. The video became a part of the first "roll out" of the program at the annual meeting of the National Council on Problem Gambling held in Puerto Rico. Clearly, at that point, Churchill Downs was taking the lead for the horse racing industry in addressing gambling disorders.

As Churchill Downs expanded its operations to Hollywood Park, Ellis Park, Calder Race Course and Arlington Park, "all-employees" training in gambling disorders was shifted to the newly established corporate position of Director of Training. Trish Candler developed the first modular employee training for gambling disorders. This module has undergone many updates and modifications to make it more responsive to the corporation's needs. The current module contains an innovative PowerPoint presentation that is given to all employees of Churchill Downs racetracks across the nation. Posters and other materials supplement this comprehensive training.

*Next Issue: Churchill Downs national impact*

## Upcoming Events

- June 17-19, 2004, National Conference on Problem Gambling, Arizona Biltmore Resort and Spa, Phoenix, AZ.
- July 25-30, Kentucky School on Alcohol and Other Drug Studies, Northern Kentucky University — Two-day program on problem gambling scheduled for July 26-27.
- August 2-6, Responsible Gaming Education Week
- September 23-24, KYCPG Annual Fall Conference, Northern Kentucky Area, site to be determined.

## Gamblers Anonymous Meetings

The following is a list of the current G.A. (Gamblers Anonymous) meetings in or serving Kentucky. For exact times, locations and a phone number for contact person, **please call 1-800-GAMBLER.**

### Monday

- The Living Stone, 7 p.m., Louisville
- Southeast Christian Church, 6 p.m., Louisville (Gam-Anon meeting)
- St. Paul Lutheran Church, 8 p.m., Huntington, WV
- Steppingstone Counseling, 7 p.m., Evansville, IN

### Tuesday

- Beargrass Christian Church, 3:30 p.m., Louisville
- CARE Center, 9 p.m., Louisville

- First Presbyterian Church, 6:30 p.m., Lexington
- First Baptist Church, 6:30 p.m., Pikeville (Also separate Gam-Anon meeting)
- Florence Christian Church, 7:30 p.m., Florence
- Lincoln Trail Behavioral Center, 7:30 p.m., Radcliff

### Wednesday

- Pigeon Roost 12-step Club, 7:30 p.m., Louisville

### Thursday

- Southland Christian Church, 6:30 p.m., Lexington
- Caritas Peace Ctr., 1st Fl. Cafeteria, 7:30 p.m., Louisville
- St. Mary's Church, 6 p.m., Evansville, IN (Also separate Gam-Anon meeting)

### Friday

- Living Stone, 7:30 p.m., Louisville (Also separate Gam-Anon meeting)

### Saturday

- St. Michael's Catholic Church, 9 a.m., Louisville
- Token Club III, 6 p.m., Louisville

### Sunday

- Hazelwood United Methodist Church, 1 p.m., Louisville (Open meeting, family welcome)
- KET Building, 4:30 p.m., Lexington (Also separate Gam-Anon meeting)
- Methodist Temple, 5 p.m. Evansville, IN (Also separate Gam-Anon meet.)
- Unity Trinity Methodist Church, 7 p.m., New Albany, IN