

KCSARC Opposes Initiative 892:

Ballot Title Authorizing Electronic Scratch Tickets for State Property Tax Reduction

If passed, Initiative 892 would double the number of slot machines and other casino games by allowing them in licensed gambling establishments, such as charities, restaurants, taverns, bowling alleys, horse racing facilities, and card rooms. 65% would go to the owners of gambling facilities, while 34% the remaining 35% would be targeted for property tax reduction, and 1% for services for problem gambling.

While KCSARC typically does not take positions on initiatives, I-892 is too serious an issue to ignore. I-892 proposes a major public policy change in our state, potentially reducing state funding for human services and education and Negatively impacting families and neighborhoods.

I-892 will likely reduce state revenues; KCSARC has a stake in a stable state funding for sexual assault services, and other related human services.

The Office of Financial Management projects that implementation of Initiative 892 would result in the reduction of state revenues. The initiative is described as revenue-neutral, however, the Lottery Commission estimates that its sales will be reduced by up to 25 percent if lottery tickets are not sold in the same venues where there are slot machines, and up to 13 % of they are sold together. This would mean lottery revenue deposited in the Education Construction Account could be reduced by \$19.3 million in the 2005-07 Biennium and \$60.0 million in the 2007-09 Biennium. In addition, there will be significant expenses in establishing new systems within the Lottery Commission (which will have oversight responsibility)

The impact on state revenues, in particular the shift in tax revenues to reduce property taxes while adversely affecting other revenues to the state, is likely to impact the amount of funds made available to social services, including sexual assault services.

KCSARC has a stake in healthy families and neighborhoods. This initiative makes slot machine gambling far more accessible, and allows its placement in a wide array of neighborhood venues. Expanded gambling has been linked to a number of social ills, including increases in rates of compulsive gambling, divorce, drug and alcohol abuse and crime, all of which significantly and negatively alter the character of families and neighborhoods.

We urge voters to reject I-892.