

It's that time of year again. The time when Kentucky Baptist churches, associations and organizations gather to review the past year and start planning for the coming year. The Kentucky League on Alcohol & Gambling Problems and the Kentucky Ethics League, Inc is grateful for this opportunity to share some of the challenges that have confronted us in 2013 along with some issues we will face in 2014.

Alcohol and gambling are two big problems that continue to create havoc in Kentucky, in America and the world. Alcohol & gambling have a lot in common. Both the alcohol industry and the gambling industry exploit people for a profit. Both exploit human weakness and cause deep-rooted addictions. Both ruin marriages, cause family strife, and destroy lives. Both lead to spouse abuse and child neglect. Both increase crime and corruption. Both lead to financial problems and bankruptcy for individuals and businesses. Both are precipitating factors for a variety of health problems and are among the leading causes of suicide. These are the reasons that the Kentucky League has been fighting the expansion of alcohol and gambling since 1914. We continue this fight because we believe the people of Kentucky deserve better than a life ravaged by alcohol or gambling.

Despite our efforts to rally like-minded supporters and to lobby against alcohol expansion in the 2013 Kentucky Legislature, lawmakers passed laws which will increase alcohol sales in the state. After years of trying, legislators finally passed a law to permit sales of alcohol on Election Day. The previous law prohibiting election-day alcohol sales was instituted for a good reason - to eliminate problems at the polling place. We believe this prohibiting law should have stayed on the books. Another bill signed into law this year permits sampling of up to 16 ounces of malt beverages on the premises of a brewery which is in a wet territory. This law is aimed at helping Kentucky brewers to market their products in a fashion similar to that permitted to Kentucky distillers. The bottom line is that it helps the breweries sell more of their product which increases their profit. Some other laws that were passed were regulatory in nature.

One very important alcohol issue still looms on the horizon. In 2011, a federal lawsuit was filed seeking to stop Kentucky from enforcing regulations which prohibit the sale of hard liquor and wine in grocery stores and other venues. Judge John Heyburn, who heard the case, ruled that this prohibiting law was unconstitutional. Consequently, the Alcohol Beverage Control Board was flooded with applications for liquor licenses by groceries, convenience marts, dollar stores and gas stations. In response, Judge Heyburn issued a hold on implementation of his ruling to give Kentucky legislators time to enact new laws which would provide some regulation and control to coincide with his ruling. Thus, House Bill 310 was introduced in the 2013 legislative session. HB 310 provided that grocery stores could sell alcohol from an adjoined area with a separate entrance to where the wine and liquor are sold, as they are currently allowed. It also stipulated that individuals under 21 cannot enter a place that sells wine and liquor by the package; therefore, preventing these items from appearing in the regular grocery store aisles. In addition, alcohol purchased in the separate entrance liquor stores, could not be brought into the main grocery store area.

The Kentucky League lobbied in support of HB 310 and urged everyone to call their legislators in support of the bill, but it did not pass. As it stands now, the Judge's ruling is currently on appeal to the U.S. Court of Appeals for the Sixth Circuit. No one knows yet what will happen on this issue, but if Judge Heyburn's ruling is upheld, it will definitely mean more places selling liquor, more hours of sale and more alcohol problems. Simply put, there are almost 900 current businesses selling packaged liquor in Kentucky and this ruling, if upheld, could mean the addition of approximately 600 more liquor selling establishments. Allowing alcohol in grocery stores, convenience marts, dollar stores, gas stations and possibly other venues makes it more accessible to teens because they are often employed in these businesses. Increased availability with less regulation also increases the potential for alcohol shoplifting. In Washington, a state which allows grocery store alcohol sales, law enforcement officials say alcohol shoplifting takes place everyday, in every city, in every grocery store. In Seattle, store surveillance members watched as a woman stuffed 14 bottles of alcohol in a stroller with a baby inside. There is no doubt - more alcohol availability means more alcohol problems and has the potential to bring increased physical, financial, mental and emotional harm to many Kentuckians.

With regard to gambling, the Kentucky Legislature has not passed any laws which would expand gaming; however, that does not mean we are not seeing any expansion. Lack of action by our legislature, prompted the Horse Racing Commission to approve "Instant Racing" which is electronic gaming machines where you bet on

historical races. Presently, Kentucky Downs offers 350 "instant racing" games and Ellis Park has 187 "instant racing" terminals. Over \$300 million had been wagered on these machines at the two tracks by April of this year. These machines look and play a lot like slot machines, but the big question is - are they legal? The Kentucky Constitution permits pari-mutuel wagering on live horse races, but "Instant Racing" gamblers are not betting against each other on the same race and not on "live" horse races, which is clearly not pari-mutuel wagering. Hopefully, the Supreme Court will find that these machines are a breach of Kentucky law and will demand that they be removed.

Another group, The Kentucky Lottery Commission took steps to offer Keno in as many as 450 hospitality venues such as restaurants, bars, bowling alleys and fraternal organizations and to offer internet based sales of lottery tickets. Keno is a highly addictive game which allows players to pick 1-10 numbers and try to match those numbers to 20 numbers drawn by the lottery from a field of 80. The numbers are refreshed every 4-5 minutes. The Lottery Commission has entered into a contract with G-TECH for \$650,000 to get Keno up and running in Kentucky by October.

In addition, Churchill Downs unveiled "Luckity" an online internet horse racing game. The target demographic is women over 35 who enjoy slots, the lottery and social networking games. Churchill is taking advantage of federal law, which allows intrastate gambling on horse races. Gamblers on "Luckity" can bet their favorite number or have the game choose a number for them representing horses running live races somewhere around the world.

All of these moves to expand gambling in Kentucky are bad news for our citizens. The time is coming when you will be able to gamble whenever and wherever you are using a smart phone, or computer, i-pad, or laptop. The convenience and excitement will entice young and old alike to gamble their hard-earned dollars and with a click of your mouse you could lose your home, family and more.

The Kentucky League believes that people of faith are called to influence and change the culture in which they live. We trust that you believe that too and realize the importance of this community of faith rising up in opposition to alcohol and gambling. We sincerely thank you for the spiritual and financial support we have received from Kentucky Baptist organizations, churches and their members. We pray that you will find ways to continue that support.

Donald Cole
Executive Director

*State Report to
Kentucky Baptist Convention*