

**TESTIMONY OF KENNETH MURPHREE**  
**BEFORE THE**  
**NATIONAL GAMBLING IMPACT STUDY COMMISSION**  
**BILOXI, MISSISSIPPI**  
**SEPTEMBER 10, 1998**

Good morning, ladies and gentlemen,

My name is Kenneth Murphree, I am the County Administrator for Tunica County, Mississippi. I was born and raised in Tunica and have lived my entire life in either Tunica County or the adjoining County of DeSoto. I have been involved in county government in either or both of those counties for over 25 years, the past 18 as the chief administrative officer of county government.

Thank you for allowing me this time today to tell the Tunica story. It is a story about economic development; about a county which was statistically one of the most impoverished counties in the United States; about a county for which the gaming industry provided the opportunity to reverse its fortune. I am proud to say that it is a true success story.

Tunica County approved gaming without protest, not even requiring a referendum, and became the northernmost county in Mississippi to allow gaming. In 1992 a small casino opened with

phenomenal success; revenues of over \$500 per day per gaming position. This led many of the most successful gaming corporations in the United States to locate facilities in Tunica. The list includes Hollywood Casino, Harrah's, Boyd Gaming, Fitzgerald's, Circus-Circus, Horseshoe, ITT-Sheraton, Bally's (Hilton) and Grand Casino Corporation. There are currently 9 casinos in Tunica County enjoying an approximately \$950,000,000 per year market, trailing only Las Vegas and Atlantic City. Collectively the casinos have invested over 2 billion dollars in property in Tunica County.

The effect of these developments on a county of approximately 9,000 residents with an almost totally agriculturally based economy is startling. The casinos brought 16,000 jobs to Tunica County - but more importantly they brought a sense of hope and opportunity which had never existed in Tunica. The fact is that everyone in Tunica County who wants a job, regardless of their educational or skill level, can have one. The double digit unemployment rate

which annually ran as high as 25% during the winter months has been reduced to as low as 4%. July 1998 unemployment was 6.4%; that figure partially caused by the pre-employment drug screening required by the casinos. Not only are jobs available for everyone, the demand for labor has caused salaries for all workers to be at least 25% higher than those rates prevalent prior to the arrival of the casino industry.

Other statistics are just as dramatic. In 1992 over 50% of the residents of Tunica County lived in households receiving food stamps collectively totaling \$259,553. By 1997, those numbers had been cut in half - less than 25% of the residents collectively receiving \$107,979. During that same time period, families requiring support through Temporary Assistance to Needy Families has been reduced from 541 to only 225. On the other hand, child support payments from fathers who now have jobs have more than doubled.

Prior to 1992, Tunica County was regarded as one of the most impoverished counties in the United States. In the mid- 1980's, Reverend Jessie Jackson referred to Tunica as America's Ethiopia and, in fact, Department of Commerce statistics verified Tunica County as having the lowest per capita income of any county (\$10,611). That has changed. The Bureau of Economic Analysis of the U. S. Department of Commerce now reports that Tunica County's per capita income had risen by 1996 to \$19,139, the ninth highest in our state.

Statistics concerning general business conditions in Tunica reflect that same positive direction as the previously mentioned social indicators. Retail sales are almost 10 times the 1992 level; total assessed valuation in the county has increased from \$30 million dollars to over \$200 million dollars; the number of hotel rooms has increased from 20 to 6,000 by the end of this year.

The gaming industry has also had a dramatic affect on county

government and the provisions of services. The predominantly agricultural tax base that existed prior to 1992 could hardly fund the minimum services.

Tunica County's local support for schools of \$941,000 made up only 13.67% of the total 1992 school budget. The per pupil expenditure of \$3,423 was somewhat exaggerated because of the high expenditures of the free lunch program. By allocating 10% of county gaming revenues to education, the county is now fifth in the state with a per pupil expenditure of \$5,488. The over \$5 million in local support that went to schools in 1997 made up 47% of the total budget. The gaming revenues have also allowed the county to address other needs:

- 1) A housing rehabilitation program for elderly and  
handicapped homeowners;
- 2) A public transportation system to facilitate workers  
getting to their jobs;

- 3) A youth recreation program with a new \$2 million facility;
- 4) Increased elderly services for meals, transportation and homemakers;
- 5) A holistic advisor to work with at-risk teenagers to assist with transition from school to work force;
- 6) A new emergency communications system;
- 7) A new landfill operated by a subsidiary of USA Waste Management;
- 8) Provision of a 24-hour-a-day medical clinic for the first time in a decade;
- 9) Purchase of 4 new fire trucks;
- 10) Increased funding and staff for the Sheriff's Department and construction of a new jail;
- 11) Extensive improvements to water and sewer systems;
- 12) Improvements to county roads;
- 13) Funding for a full-time county youth court counselor;

- 14) Creation of a summer youth jobs program for 40 participants;
- 15) Financial support for the Tunica County Literacy Council;
- 16) Expansion of the County Library;
- 17) Construction of an Agricultural Exhibition Facility.

There is a sense of hope and opportunity in Tunica County in 1998 that has not existed for decades. Everyone has a job. Those who already had jobs have had their wages increase by 25% or more. The jobs provide good health and retirement benefits. People are able to buy new cars, new furniture, correct past credit problems to enable them to qualify for home loans, and to buy things for their children that they formerly had to do without. It clearly is a quality of life that has never existed in Tunica.

Where does this new-found prosperity come from?

The Tunica County Convention and Visitors Bureau and the Mississippi Gaming Commission have performed research that helps to



answer that question. More than two-thirds of the visitors come from outside the Memphis area; in fact, less than 15% come from Mississippi and less than 1% come from Tunica County. Over 75% are married or living as married; two-thirds are over 45 years old and 60% have an annual family income in excess of \$50,000. In summary, Tunica has become a two to four day resort destination for upper and middle income families living in the mid-South and mid-West.

Thank you for allowing me to be here today to tell this story. I have not addressed the issue of gambling on our society as a whole. I have not tried to convince you that the gaming industry is good for Mississippi or the mid-South. I have simply given you my perspective of the impact of gaming on an economically depressed community.

Tunica County was not any smarter than other communities by allowing the gaming industry in its border - it was simply more desperate. It took the gamble - and it won!