

MINUTES OF THE HOUSE FEDERAL AND STATE AFFAIRS COMMITTEE

The meeting was called to order by Chairperson Steve Brunk at 9:00 am on Monday, February 23, 2015, 346-S of the Capitol.

All members were present except:

Representative Susan Concannon – Excused
Representative Janice Pauls – Excused
Representative Valdenia Winn – Excused
Representative Annie Tietze – Excused

Committee staff present:

Natalie Nelson, Legislative Research Department
Joanna Wochner, Legislative Research Department
Stephen Bainum, Kansas Legislative Committee Assistant
Jason Long, Office of Revisor of Statutes

Conferees appearing before the Committee:

Richard Carlson, Legislative Liaison for the Kansas Department of Revenue
Patsy Congrove, Administrator, Charitable Gaming
Tim Witsman, Executive Director, Nonprofit Chamber of Service
Jeff Dunker, American Legion Post 370
Charles Griffin
Gary Walker, Kansas Charities Cooperative

Others in attendance:

[See Attached List](#)

Hearing on: HB2291 — Charitable gaming act; regulation of bingo and raffles.

Chairman Brunk opened the hearing on **HB2291**. Jason Long, Revisor of Statutes gave a briefing on the bill. [\(Attachment 1\)](#) At the request of Chairman Brunk he also gave a briefing on **HB2383** and stood for questions from the Committee. [\(Attachment 2\)](#)

Richard Carlson testified in support of **HB2291** saying that they would like to simplify the Bingo rules and make the regulations very similar to Raffles. Combining the two (Raffles and Bingo) makes sense to us in terms of easing the burden of regulation. Mr. Carlson answered questions from the Committee. [\(Attachment 3\)](#)

Patsy Congrove testified as a proponent of the bill and said the bill modernizes unreasonable restrictions that exist in current law regarding charitable bingo. This bill would reduce the burdensome laws on charitable bingo and allow non-profit organizations to have flexibility in operating their sessions. The state still collects its' enforcement tax. Statutes are still in place to protect the organizations, and the public is still assured of an honest game with winnings. With regard to raffles, our findings resulted in the concept of a two tiered strategy. One strategy was created for raffles with gross receipts over a \$2,500 a year in sales. The other tier is for under the threshold. In all cases, the public must be protected. Mrs Congrove answered questions from the Committee. [\(Attachment 4\)](#)

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Tim Witsman testified in support of the bill stating that the effects of the recession are widely known, as is the fact that while employment has been rising wages have not kept pace and many are underemployed, either in hours or level of work. This has placed even greater demand on charitable organizations to provide assistance. Charitable raffles and bingo will not make up for government and private contribution reductions. However it makes good policy sense to allow charitable organizations an alternative source to partially fill the funding hole. ([Attachment 5](#))

Jeff Dunker testified in support of the bill thanking the Committee for an opportunity to share some thoughts about charitable gaming in Kansas. Many small nonprofits and large nonprofits throughout the state are pleased with this bill. We ask that you pass **HB2291** favorably from this committee and that you defeat HB2383. We also ask that you reconsider the threshold at which you allow the Department to start to regulate raffles. We believe a \$25,000 threshold is too high and will allow individuals to take advantage of the public by not following legitimate rules of a raffle. We believe a reasonable compromise would be regulation starting at \$10,000 in yearly sales. Mr. Dunker stood for questions from the Committee. ([Attachment 6](#))

Charles Griffon testimony in support of **HB2291** was read by Gary Walker. His testimony stated that Kansas laws as they relate to fund raising are outdated and overly restrictive. Every state around Kansas allows much higher prize payouts and does not restrict the days of operation. The overly restrictive laws have put many bingo operations out of business, including American Legions and VFW halls, and have stymied fund raising in Kansas. I ask that you pass **HB2291** and keep all charitable fundraising in one bill. ([Attachment 7](#))

Gary Walker testified in support of the bill stating that our current bingo statutes have unreasonable restrictions that small businesses and non-profits should not have to operate under, especially since the State has authorized 24 hour lottery ticket sales and 24 hour casino gaming at state owned gaming facilities. There is absolutely no reason why this Committee shouldn't fix the inequities that exist in current law at the same time they determine how they are going to regulate raffles. ([Attachment 8](#))

Written only testimony in support of **HB2291** was presented by:
Dona Booe, President/CEO, Kansas Children's Service League ([Attachment 9](#))
Renee Duxler, Executive Director, Positive Directions, Inc. ([Attachment 10](#))
Karen Roy, Owner, Capitol Bingo ([Attachment 11](#))

Written only testimony in opposition to **HB2291** was presented by:
Jeanne Gorman Rau, LLC, Attorney at Law ([Attachment 12](#))

Chairman Brunk said that he would hold the hearing on **HB2291** open to a later date.

The meeting was adjourned at 10:35a.m.

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