

MINUTES OF THE HOUSE FEDERAL AND STATE AFFAIRS COMMITTEE

The meeting was called to order by Chairperson Steve Brunk at 9:00 am on Tuesday, February 24, 2015, 346-S of the Capitol.

All members were present except:

Representative John Wilson – Excused

Representative Janice Pauls – 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:

No conferees present

Others in attendance:

[See Attached List](#)

Discussion on:

There were no bill introductions. Chairman Brunk called for a continuation of the discussion on **HB2291** from the previous day.

Patsy Congrove said that they do want enforcement and the higher threshold amount brings more control and enforcement. She said that she was willing to amend the threshold amount to \$10,000. She said further that the age restriction was controversial but that the age restriction could be changed to 14 or 16 years old to allow high school students to sell raffles for their school activities. She also commented on the ability to go into an adjoining county to assist a charity that is too small to hold the raffle on their own.

Chairman Brunk indicated that he wanted to sort out the differences regarding the age restrictions, caps and modernize the bingo language. Accordingly he asked Jason Long, Revisor of Statutes to spell out the differences between the two bills. Discussion ensued between the members of the Committee about the age requirements.

Jason Long, Revisor of Statutes, mentioned several differences between the bills.

1. License requirements. Under **HB2291** every organization that is going to conduct a charitable raffle must have a license. The license fee is \$25 but it is waived if gross receipts are less than \$2,500. In **HB2383** there is an exemption as long as annual sales are less \$25,000.
2. Since **HB2291** requires a license, organizations under that bill must collect taxes and file tax reports and keep records for three years. They would have to observe the 18 year old requirement and report winnings over \$1199. Under **HB2383**, if the organization is not required to obtain a license they would not be subject to any of these requirements.
3. Age distinction. Under **HB2291** no one under 18 years of age is allowed to participate. Under

CONTINUATION SHEET

MINUTES of the Committee on Federal and State Affairs at 9:00 am on Tuesday, February 24, 2015, 346-S of the Capitol.

HB2383 there are no age restrictions.

4. Taxation. Under **HB2291** there is a 1% tax on the gross receipts over the \$2,500 threshold. Under **HB2383** if the gross receipts are \$25,000 there is a 1% tax on all the receipts.

Discussion ensued among the members of the Committee about these differences.

Chairman Brunk called for general comments from the Committee to see if compromise was possible on the differences. Representative Couture-Lovelady offered an amendment to exempt from taxation any gross receipts under \$25,000 and also strikes out the age requirement for those under 18 years of age. There was no second. Chairman Brunk continued the conversation by asking the Committee some questions.

1. Who wants to keep the \$2,500 threshold or who wants the \$25,000 threshold or a compromise of \$10,000 or \$15,000 threshold? The consensus of the Committee was for the \$25,000 threshold.
2. On the question of licensing for raffles, who wants to keep licensing below \$25,000 or who wants to wait for \$25,000 in gross receipts before a license is required? The Committee indicated their preference for the license requirement to begin at gross receipts of \$25,000.
3. On the question of a 1% enforcement tax, who would enforce the 1% tax at \$2,500 in receipts or who would wait for \$25,000 in receipts before the tax kicked in? The consensus of the Committee was to wait for \$25,000 in gross receipts before the 1% tax began.
4. Regarding the age restriction on charitable raffles, who wants no age restriction, or who wants 18 years old, or who wants 16 years old? The majority of the Committee members chose no age restrictions.
5. Record keeping. Do we want the non-profits to keep records at \$25,000 in receipts or prior to receipts of \$25,000? The Committee indicated their preference for raffles to keep records after attaining \$25,000 in gross receipts.
6. Reporting of the winners. Who wants to keep the reporting of the winners below \$25,000 or who wants reporting of winners above \$25,000? The consensus of the Committee was to require reporting of winners above \$25,000.

Chairman Brunk wrapped up the discussion on charitable raffles and turned the Committee's attention to the Bingo legislation. Jason Long, Revisor of Statutes gave the Committee a briefing on **HB2291** and answered questions from the Committee.

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