

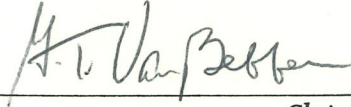
MINUTES OF THE HOUSE COMMITTEE ON FEDERAL AND STATE AFFAIRS

Held in Room 519, at the Statehouse at 2:45 ~~xxx~~ p. m., on February 3, 19 75.

All members were present except: Mr. D. Miller, who was excused.

The next meeting of the Committee will be held at 2:45 ~~xxx~~ p. m., on February 4, 19 75.

~~These~~ minutes of the meeting held on January 30, 19 75 were considered, ~~corrected~~ and approved.



*Chairman*

The conferees appearing before the Committee were:

- Mr. George Waters, Attorney General's Office
- Senator John Crofoot
- Mr. Reynolds Shultz, representing the American Legion
- Mr. Jack Quinlan, representing the Sunflower Club Association
- Mr. Kenneth Youth, The American Legion
- Mr. Joe Berger, representing the Moose Club
- Mr. Marshall Gardiner, Leavenworth, representing a committee from the Elks, Legion, VFW, Knights of Columbus, and St. Catherine's Society.
- Mr. John Uren, Manager, Milburn Golf & Country Club, Overland Park
- Mr. Gail Baxter, Wichita, representing the Moose

The meeting was called to order by the Chairman who stated that the committee would hear as many individuals as time permitted, and asked that conferres leave any proposed amendments or prepared notes for the committee to consider.

Mr. George Waters of the Attorney General's office appeared on behalf of the Attorney General and stated that generally he finds the bill inoffensive, but feels that some sections will be difficult to enforce. In particular he mentioned the number of games which could be played per night, and per week, and limits on prizes. Also, he mentioned the licensing scheme and pointed out that certain groups might like to take a game into a nursing home or hospital. He mentioned that he had a letter from an individual in Wichita, and that some of the suggestions might have merit. He mentioned that the individual thought there should be something about no house players, and that callers should be bonded and registered. Also, electric boards were suggested. He stated the Attorney General's attitude is to make the law very liberal because it is difficult to enforce restrictive laws.

Mr. Reynolds Shultz, Legislative Chairman for the American Legion, stated that basically he believes this is a bill which will serve the people who voted for bingo, but that there are some amendments necessary. He explained his proposed amendments (see attachment), the first of which deals with the internal revenue code. The second amendment deals with the number of games and needs to be changed because of how receipts are computed. Another amendment seeks to change the price for cards; and still another would reinsert the requirement of age for those conducting bingo games.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.



Mr. Shultz stated that insofar as the amendment placed on the bill in the Senate is concerned, the Legion clubs would find it impossible to open their doors to the public because of liquor licenses and tax exempt status.

Mr. Jack Quinlan, representing the Sunflower Club Association, stated that his people are concerned about the amendment made on the Senate floor; that their exempt status could be jeopardized. He displayed 77-17 (Internal Revenue Service Bulletin). (See attachment) He also expressed some concern about the sale of cards and the revenue therefrom upon which the tax is computed. He suggested that in the Senate amendment, perhaps the word "shall" on page 6, line 4, could be changed to "may".

Senator John Crofoot appeared to discuss the Senate floor amendment, and stated that it was placed there in good faith and with good intentions but when the amendment came to the floor it went further than was intended; and stated that Senator Simpson had suggested the amendment should state that any organization with restrictive membership shall not be eligible for license. He also expressed the idea that the stipulation for games at only a specific location should be liberalized because some groups might want to take a game to hospitals or nursing homes on specific occasions.

Mr. Kenneth Young, State Adjutant of the American Legion, testified that he is also spokesman for other non-profit organizations, and mentioned the Moos, the Eagles, Disabled American Veterans, Knights of Columbus, and the Veterans of Foreign Wars. He stated that they have some concerns about the Senate amendment because they are concerned about the tax status; that in general they agree with the proposed amendments which have been offered.

Mr. Marshall Gardiner of Leavenworth, stated that he represents a committee comprised of representatives from the Elks, Legion, VFW, Knights of Columbus and St. Catherine's Society of Leavenworth. He stated that he supported Mr. Quinlan's proposed amendment concerning the word "may" because only one of his groups (St. Catherine's) was not licensed as a private club. He stated he was in agreement with restricting the operators of games to the age of 18 and over. He stated that he is against discrimination but that to write into the statutes what is already in the code would be redundant. He pointed out that membership in veterans organizations and church related organizations are earned by virtue of military service or church affiliation and have nothing to do with discrimination. Mr. Gardiner stated that he thinks the 6% rate is high; that smaller organizations might only end up with \$15.00 or \$20.00 in an evening.

Mr. Joe Berger of the Topeka Moose, and President of the Sunflower Club Association, displayed a letter which he had received from the General Governor, in which it was stated that the lodges are a private membership, non-profit, fraternal organization, and it would be a violation of their Constitution and General Laws to open the facilities to the general public. (See attachment) Mr. Marshall inquired if the Moose



included on their application for membership, any reference to caucasian. Mr. Berger stated that this reference was removed two years ago. Mr. Marshall then inquired if the Moose is an exempt organization and Mr. Berger stated that it is. Mr. Marshall inquired if Mr. Berger had heard Mr. Gardiner state that those who discriminate are not eligible for tax exempt status, and Mr. Berger stated he was not sure. Mr. T. Slattery asked how Mr. Berger's people feel about people under 18 conducting games and Mr. Berger stated he thought people under 18 should be allowed to play, but didn't feel kids should conduct games. Mr. Reeves inquired if the Moose was open to the public for other purposes and Mr. Berger stated it is not. Mr. R. Miller inquired if the Civil Rights Commission had not brought suit against the organization, and Mr. Berger stated this was a different category and has nothing to do with bingo. Mr. Marshall asked if there isn't a case pending right now over civil rights and Mr. Berger replied that they claimed it was over civil rights, but that they thought the individual was an undesirable character.

Mr. John Uren, Manager of the Milburn Golf and Country Club, Overland Park, inquired about the wording of the bill as it seems to exclude country clubs, and the Chairman explained that the drafters had followed the wording in the proposed Constitutional amendment in the drafting.

Mr. Gail Baxter of the Wichita Moose stated that they have 6,000 members and have been in existence for 25 years; that they have many activities for their members; that if they are required to open to the public they will be depriving their own membership.

It was moved by Mr. Sellers and seconded by Mr. Anderson that the minutes of January 30th, be approved as printed. Motion carried.

The meeting was adjourned.

2-3-75  
4/1/1975

*Supreme Lodge of the World*  
**Loyal Order Of Moose**  
MOOSEHEART, ILLINOIS 60539



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OFFICE OF  
GENERAL GOVERNOR

January 30, 1975

Mr. Joseph Berger, Secretary  
Loyal Order Of Moose Lodge No. 555  
1901 North Kansas Avenue  
Topeka, Kansas 66604

Subject: BINGO LEGISLATION


Dear Brother Berger:

With reference to your phone call of January 29, 1975, and the recent enacted Bingo Legislation in the State of Kansas, I regret to advise you that Topeka Lodge, nor any other lodge of the Loyal Order of Moose, may participate in bingo, if the games must be open to the public.

The Tax Courts continually remind social clubs of all kinds that their tax-exempt status is a very fragile thing. A club that leans on profits from non-member functions is subject to a tax on its net income from all sources - including dues, as you in Kansas all ready know. The courts have agreed with the Internal Revenue Service that the income received from "substantial" business activity inured indirectly to the benefit of club members in the form of capital improvements and a hold-down on dues.

We cannot permit our lodges to get involved as we are a private membership, non-profit, fraternal organization, and to be opened to the public, we would violate our own Constitution and General Laws.

Fraternally yours,

  
GENERAL GOVERNOR

PRM/rd  
cc/ State Director Sollars