

Approved 1/24/84
Date

MINUTES OF THE _____ COMMITTEE ON _____ FEDERAL AND STATE AFFAIRS _____

The meeting was called to order by _____ Senator Edward F. Reilly, Jr. _____ at
Chairperson

11:00 a.m./~~xxxx~~ p.m. on _____ January 18 _____, 1984 in room 254-E of the Capitol.

All members were present ~~except~~xx

Committee staff present: Russell Mills, Legislative Research
Fred Carman, Assistant Revisor of Statutes
June Windscheffel, Secretary to the Committee

Conferees appearing before the committee: Phil Wilkes, Legal Department, Department of Revenue
Rodney J. Bieker, Assistant Attorney General

The Chairman reported that Russell Mills had checked and that SCR1611 was no longer needed. Senator Morris moved that SCR1611 be reported adversely, with a 2d by Senator Francisco. Motion carried.

The Chairman said that bingo would be the next subject of business. He stated that this Committee had recommended a bill for passage last session, SB401, that is before the House Federal and State Affairs Committee at this time, and that he will report to the House Committee Chairman after today's meeting.

Phil Wilkes was the first conferee to appear. He stated that he had met with the Secretary of Revenue and Chief Counsel for a briefing concerning the matter of bingo. The bingo tax for Fiscal 1983 has amounted to about \$811,000. The revenue has increased at about the rate of 8% each year. He would estimate Fiscal 1984 to be about \$875,000.

There are approximately 660 organizations now licensed to conduct bingo games. There are 40 premises that have been leased to licensed agents. Enforcement is of concern to the Department of Revenue. About half of the licensees are also class "A" clubs; because of that the ABC agents are also able to do spot checks at times with regard to bingo but there are not always bingo games in progress at the times of their visits. The agents did find illegal lotteries that were going on in the clubs this past summer, but enforcement by these agents is very hit or miss because the bingo games are not always in progress.

Another source of enforcement is to follow up on complaints from citizens. The Department really doesn't have the manpower to manage that. A lot of the complaints are anonymous. The Department does not have anyone other than the ABC officers for investigation unless it would be local law enforcement agencies, and most of the law enforcement people have not been trained in the bingo operations. They would probably only be able to spot the lottery violations. To get good assistance at the local level would entail intensive training for the law enforcement people.

During the Calendar Year 1983 the Department of Revenue conducted four hearings with regard to violations concerning bingo.

The position of the Department of Revenue is that if the Legislature sees fit to allocate money for the enforcement in the amount which is anticipated in the bill it would enable the Department to put together a supervisor, full-time attorney, clerk typist and eight investigative auditors.

Revenues received from bingo include: 1976, \$279,000; 1978, \$493,000; 1979, \$563,000; 1980, \$627,000; 1981, \$693,000; 1982, \$752,000; and 1983, \$811,000.

Of the 658 licensees, 36% are veterans' organizations; 15% are fraternal organizations; 21% are churches and religious organizations and schools; 2% are parent teacher organizations; 4% are such as Optimist or Rotary, et cetera; and 21% are miscellaneous.

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.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS,
room 254-E, Statehouse, at _____ a.m./~~pm~~ on January 18, 1984.

Rodney J. Bieker was introduced by the Chairman. He represented the Attorney General. He said that the problem of bingo is extremely involved with adequate enforcement by the law enforcement agencies. He reiterated what the Attorney General had expressed last year: that bingo is legalized gambling and there is a great deal of money involved; given the nature of the activity and the money involved in it the problem of law enforcement is important in this area. The Attorney General has not backed down from his concerns of last year, and that statement is on file, and he hopes that this session of the Legislature will produce effective bingo legislation.

Committee discussion suggested that perhaps the state might wish to take over the operation of bingo.

Senator Winter commented that the problems still appear as what they saw last year, at which time they (the sub-committee) did their job as well as they could. He said it appears to him that what has happened in terms of influence of profit making organizations is a far different form from what the voters thought they were doing, and that a lot of money is being left on the table and not being collected by the state.

The Chairman announced that he and Senator Winter will meet tomorrow with Representative Robert H. Miller, Chairman of the House Federal and State Affairs Committee, to discuss the matter of expediting the legislation now in the House of Representatives.

The meeting adjourned at noon.