

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS

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

8:45 a.m. ~~xxxxon~~ April 3, 1984 in room 254-E of the Capitol.

All members were present except:

Senators Vidricksen, Gannon and Winter, were excused.

Committee staff present:

Fred Carman, Assistant Revisor of Statutes
Russell Mills, Legislative Research
Emalene Correll, Legislative Research
June Windscheffel, Secretary to the Committee

Conferees appearing before the committee:

None.

HB2741 - cost of jail operations; tax levy.

The Chairman called the Committee's attention to HB2741, which had been heard and discussed at earlier meetings. There was more discussion. Senator Morris made the conceptual motion that the bill be amended to include only Sedgwick County. 2d by Senator Roitz. Motion carried.

Senator Pomeroy moved that HB2741 be reported favorably as amended. 2d by Senator Morris. Motion carried.

SB867 - concerning bingo.

The Chairman's called the Committee's attention to SB867. A packet was distributed for the Committee's attention, consisting of a letter from Governor Carlin, dated March 9, 1984, to Father Licktery; plus 9 exhibits concerning bingo games which are being conducted on various Indian reservations. There was committee discussion, but no action was taken. This is a part of these Minutes as Attachment #1.

The Chairman called the Committee's attention to other matters and material was distributed for the Committee, copies which are a part of these Minutes as shown below:

Attachment #2 - Press release from Governor John Carlin concerning prison overcrowding, and concerning an increase in the property tax mill levy.

Attachment #3 - Letter from Maynard L. Brazeal, Director, The University of Kansas, Kansas Law Enforcement Training Center, Hutchinson, Kansas, concerning an update on the impact of SB499.

Attachment #4 - Proposed legislation to amend constitution, relating to liquor by the drink, 3RS6000.

Attachment #5 - Memorandum dated March 30, 1984, concerning an estimate of projected revenues for liquor by the drink: from J. Russell Mills.

Attachment #6 - Proposed legislation to amend constitution, relating to parimutuel wagering, 3RS6001.

Attachment #7 - Memorandum dated March 28, 1984, concerning parimutuel wagering: from Kansas Legislative Research Department.

Attachment #8 - Proposed legislation to amend constitution, relating to state-operated lottery, 3RS6002.

Attachment #9 - Memorandum dated March 28, 1984, concerning state lottery: from Kansas Legislative Research.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS,

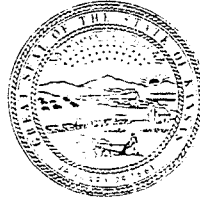
room 254-E, Statehouse, at 8:45 a.m.~~p.m.~~ on April 3, 19 84

The Minutes of the Meeting of March 30, 1984, were approved, by a motion of Senator Pomeroy. 2d by Senator Daniels. Motion carried.

The meeting adjourned at 9:15 a.m.

4-3-84
Attachment #1

STATE OF KANSAS



OFFICE OF THE GOVERNOR
State Capitol
Topeka 66612-1590

John Carlin Governor

March 9, 1984

Father Licktery - Pastor
St. Patrick's Church
1086 North 94th Street
Kansas City, Kansas 66112

Dear Father Licktery:

I have received your kind note. Thank you for your words of support. Many times, individuals do not share their thoughts or feelings with me, however, you have and I thank you for your time and effort.

In regards to the Bingo Bill, I signed the bill on March 1, 1984. It is my hope and aspiration that a suitable compromise is developed in the new proposed amendment that is currently being studied by the Legislators.

Please feel free to let your Legislators know your concerns regarding the new Bingo "trailer bill". You can contact them, toll-free, at 1-800-432-3924.

Again, thank you for writing and God bless you.

Sincerely,

A handwritten signature in cursive script, appearing to read "John Carlin".

JOHN CARLIN
Governor

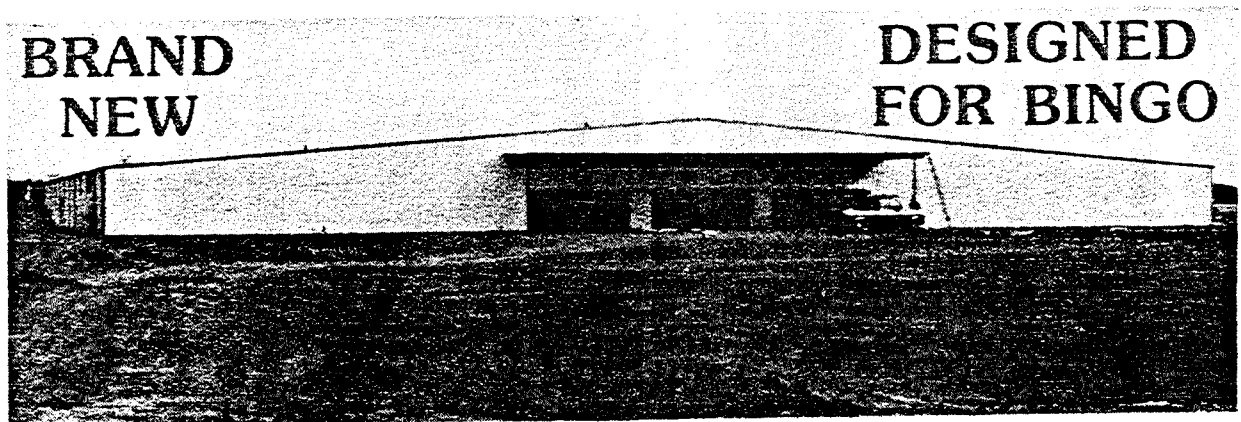
JC:SH:pd

Attachment #1

OTOE-MISSOURIA BINGO

RED ROCK, OKLAHOMA

HOME OF THE WORLD'S LARGEST HALL



NOW BEING COMPLETED FOR APRIL 7th OPENING

- Spacious Seating • Smoke Removal System • 36 Television Monitors
- 14 Bingo Boards • Large Restrooms • Giant Concession Stand
- Great Air-Conditioning/Heating • Ample Parking

AND

HOME OF WORLD'S HIGHEST PAYOUTS

FEATURING

\$300,000 SATURDAY'S

\$100,000 SUNDAY'S

DETAILS INSIDE

GRAND OPENING DATES - APRIL 7/8 and 28/29

CALL: USA 1-800-654-3920 OK 1-800-522-3908

\$300,000

Money and Prizes in a Single Day

OTOE-MISSOURIA BINGO

Red Rock, Oklahoma

SATURDAY APRIL 7 AND 28

Doors Open 11:00 a.m. Early Bingo 1:00 p.m. Regular Program 7:00 p.m.

EARLY BIRDS KENO BINGO	Win Up To \$25,000
\$1.00 each	In A Single Game
20 REGULAR GAMES	\$5,000
1 Extra Pack \$24 2 Extra Packs \$38 4 Extra Packs \$49	
1 SUPER JACKPOT	\$25,000
Guaranteed \$10,000 after 48 #'s \$3.00 per triple sheet	
1 MASTER JACKPOT	\$100,000 PROGRESSIVE
\$3.00 per sheet Minimum Guarantee \$25,000	
4 BONANZAS	TOTALING \$12,000
\$2.00 each Guaranteed at 1/2 after 48 #'s	
4 NIGHTOWL SPECIALS	TOTALING \$16,000
Guaranteed at 1/2 after 48 #'s \$5.00 per pack	

\$69.00	ADMISSION PACKAGE
Includes:	
2 Triple Sheets for \$25,000 Jackpot	
2 Triple Sheets for \$100,000 Progressive	
40 Triple Sheets for 20 Regular Session Games (2 triple sheets each game)	
PLUS!	Plus Grand Opening Specials!
3 Chances for 1984 Car to be given away April 7	
Commemorative Grand Opening Shirt	
Purchase above pack by March 18 and be eligible for a Hawaiian vacation for 2	
Super Saver Option	\$129.00
30 Earlybird Sheets	
80 Triple Sheets for 20 Regular Session Games (4 for each game)	5 Chances for '84 Car
4 Triple Sheets for \$25,000 Jackpot	
4 Triple Sheets for \$100,000 Progressive	
4 Bonanzas	1 Commemorative Grand Opening Shirt
1 Nightowl Pack	

GRAND OPENING DOOR PRIZE - 1984 CAR EACH DAY

\$100,000

BINGO AFTERNOON OTOE-MISSOURIA BINGO

RED ROCK, OKLAHOMA

SUNDAYS APRIL 8 and 29, 1984

**18 REGULAR
GAMES**

\$2,000

Guaranteed Per Game

1 Extra Pack \$20.00
2 Extra Packs \$29.00
4 Extra Packs \$38.00

**1 SUNDAY
COVERALL**

\$25,000

Guaranteed \$10,000
After 48 #'s
\$3.00 each

**1 SUPER
BONANZA**

\$10,000

Guaranteed \$2,500
After 48 #'s
\$2.00 each

**BONUS
BINGO**

3 Games With
Chance At \$20,000

Guarantee at \$3,000
\$3.00 each

**10 EARLYBIRD
GAMES**

\$500 each

Guaranteed Per Game
\$1.00 each

PLUS!

**KENO
BINGO**

WIN UP TO

\$25,000

\$39.00 ADMISSION PACK

★ 36 Triple Sheets for 18
Regular Session Games
(2 Triple Sheets for Each Game)

★ 2 Triple Sheets for
\$25,000 Sunday
Coverall

★ 3 Chances on One Week London Vacation for 2

DOORS OPEN 11:00 A.M.

EARLY BINGO 12:00

REGULAR PROGRAM 1:00

For Reservations and Information:

USA 1-800-654-3920

OK 1-800-522-3908

OTOE-MISSOURIA BINGO GAME SCHEDULE

April 7	(Sat)	"Grand Opening Celebration" \$300,000 Bingo
April 8	(Sun)	"\$100,000" Afternoon
April 28	(Sat)	"\$300,000" Bingo Extravaganza
April 29	(Sun)	"\$100,000" Bingo Afternoon
May 12	(Sat)	"\$300,000" Bingo Extravaganza
May 13	(Sun)	"\$100,000" Bingo Afternoon
May 26	(Sat)	"\$300,000" Bingo Extravaganza
May 27	(Sun)	"\$100,000" Bingo Afternoon
June 9	(Sat)	"\$300,000" Bingo Extravaganza
June 10	(Sun)	"\$100,000" Bingo Afternoon
June 23	(Sat)	"\$300,000" Bingo Extravaganza
June 24	(Sun)	"\$100,000" Bingo Afternoon
July 7	(Sat)	"\$300,000" Bingo Extravaganza
July 8	(Sun)	"\$100,000" Bingo Afternoon
July 21	(Sat)	"\$300,000" Bingo Extravaganza
July 22	(Sun)	"\$100,000" Bingo Afternoon
August 4	(Sat)	"\$300,000" Bingo Extravaganza
August 5	(Sun)	"\$100,000" Bingo Afternoon
August 18	(Sat)	"\$300,000" Bingo Extravaganza
August 19	(Sun)	"\$100,000" Bingo Afternoon
September 1	(Sat)	"\$750,000" Super Bingo
September 2	(Sun)	"\$100,000" Bingo Afternoon

FOR RESERVATIONS AND INFORMATION CALL:

or USA 1-800-654-3920

OK 1-800-522-3908

**MIZE AND MARTIN
ENTERPRIZES**
presents

**\$400,000
BINGO
Weekends**

To
World's Largest Bingo Hall
OTEO-MISSOURIA Indian Reservation
Red Rock, Oklahoma

\$149⁰⁰ Per Person

Your weekend Bingo Package includes:

\$69⁰⁰ Saturday Admission pack.

\$39⁰⁰ Sunday Admission pack.

Saturday night lodging (Double Occupancy)

Transportation via chartered bus from K.C. to Red Rock and
return (includes transportation to bingo hall and motel Saturday
and Sunday).

Qualify for Labor Day Super Bingo.

For Information and Reservations contact

**MIZE AND MARTIN
ENTERPRIZES**

JERRY MIZE
LOU MARTIN

358-8783
761-1435

P.O. BOX 17739
KCMO 64134

FREE BUS SERVICE

from Kansas City every Saturday and Sunday for reservations call

931-0220

Otoe-Missouria Bingo

PLAY \$225,000 BINGO IN THE WORLD'S LARGEST HALL BEGINNING JULY

Until Then Warm Up At
Our \$50,000 Bingo Weekends
5 GREAT SESSIONS

BRING THIS AD FOR A FREE GIFT

BRING THIS AD FOR A FREE GIFT

\$13,000 Per Session

Jackpots Rising
From \$9,000.00

FRI. DOORS OPEN 5:30
SESSION 7:30

SAT. DOORS OPEN 12:00
SESSION 1:00
SESSION 7:00

SUN. DOORS OPEN 12:30
SESSION 2:00

Call Us For Free
Bus Service

Come Early To
Insure Your Seat

Program

GUARANTEED PAYOUTS

	UNTIL JULY	BEGINNING JULY
1. Double Postage Stamp (in corners)	\$200.00	\$2,500.00
2. Small Picture Frame	\$200.00	\$2,500.00
3. Any Double Bingo	\$200.00	\$2,500.00
4. Letter L (any way)	\$200.00	\$2,500.00
5. B-O Row	\$200.00	\$2,500.00
JACKPOT COVERALL (50#less \$1,000.00 progressive)	\$500.00	\$3,500.00
6. 2 Horizontal Lines	\$200.00	\$2,500.00
7. Letter X	\$200.00	\$2,500.00
8. 33 (Block of Nine)	\$200.00	\$2,500.00
9. Plus Sign	\$200.00	\$2,500.00
10. Top and Bottom Line	\$200.00	\$2,500.00
JACKPOT COVERALL (50#less \$1,000.00 progressive)	\$500.00	\$5,000.00
INTERMISSION		
11. Double Bingo	\$200.00	\$2,500.00
12. Straight Arrow (kite with a tail)	\$200.00	\$2,500.00
13. Letter T (anyway)	\$200.00	\$2,500.00
14. Lucky 7 (one way only)	\$200.00	\$2,500.00
15. Letter H	\$200.00	\$2,500.00
JACKPOT COVERALL (50#less \$1,000.00 progressive)	\$500.00	\$3,500.00
16. Letter Y (one way only)	\$200.00	\$2,500.00
17. Any Double Bingo	\$200.00	\$2,500.00
18. Small Frame	\$200.00	\$2,500.00
19. Letter X	\$200.00	\$2,500.00
20. Otoe Special (O row Only)	\$200.00	\$2,500.00
JACKPOT COVERALL (50#less \$1,000.00 progressive)	\$500.00	\$15,000.00
Night Owl Session	4 Games Any Double Bingo	each \$200.00 \$1,000.00

Cost

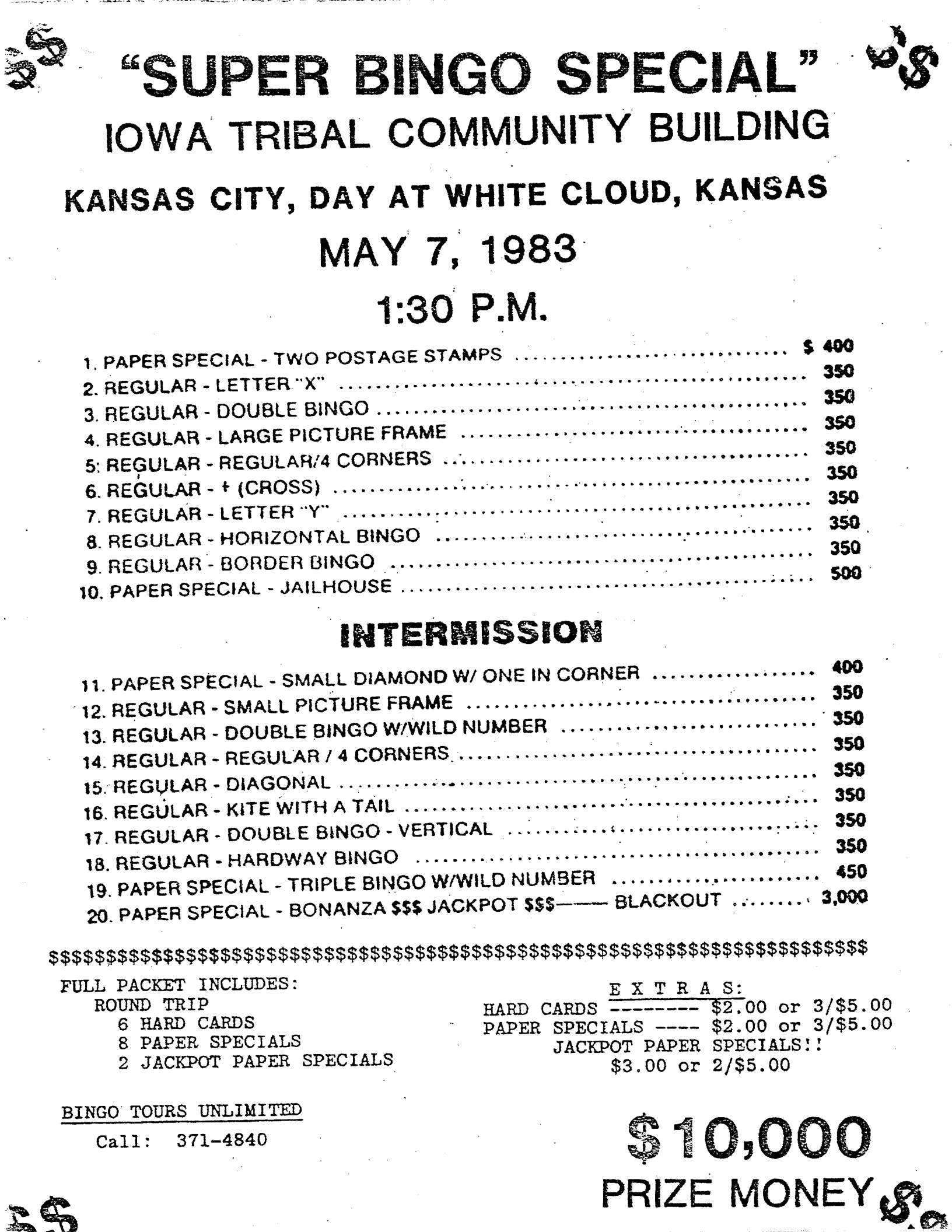
\$24.00 BUY-IN gets you:
 40 triple sheets for regular games.
 8 triple sheets for Jackpot games.
 4 triple sheets for Nightowls.
 1 triple sheet for free game.
FREE DRAWING CARD
 (Minimum buy-in — \$12.00)
\$13,000 prizes every session
JACKPOTS
 progressing from \$9,000.00

OTOE AGENCY, HWY. 177 (Between Stillwater & Ponca City)
FOR INFORMATION CALL
405-743-1300 (collect) OK 800-322-3908 USA 800-654-3920
STOP AT FLASHING SIGN RIGHT ON 177 THAT SAYS \$50,000 BINGO

POTAWATOMI TRIBAL BINGO

BINGO SPECIAL RULES

1. Players can make reservations by purchasing all or part of BINGO SPECIAL packets in advance of bingo date. Advance payments are non-refundable.
2. Persons who purchase packets will be issued tickets. **Only players with tickets will be admitted.**
3. Each player may purchase as many packets as desired, but no two players may play on one packet. Players may buy additional hard cards and paper specials at the session.
4. No exchange of hard cards.
5. Prizes paid to ticket holders only.
6. For additional information contact:
~~Bob Morris~~ *Bill Burgess* (913) 272-4000 *842-4050*
843-4394
7. Money for reservations can be paid at the Potawatomi Tribal Community Building on Friday and Saturday evenings, or mailed to:
Potawatomi Tribal Bingo
C/o Central Plains Management Company, Inc.
P.O. Box 457
Lawrence, Kansas 66044
8. The Potawatomi Tribal Community Building is located 7.0 miles West and 1/2 mile South of Mayetta, Kansas.
9. No Spectators, you must Present your Paid Receipt to Gain Entry.
10. If for any reason the game is cancelled, your money will be refunded to you or you will be notified of another date for the game.
11. **NO** cancellations accepted the week of the games.



"SUPER BINGO SPECIAL"

IOWA TRIBAL COMMUNITY BUILDING

KANSAS CITY, DAY AT WHITE CLOUD, KANSAS

MAY 7, 1983

1:30 P.M.

1. PAPER SPECIAL - TWO POSTAGE STAMPS	\$ 400
2. REGULAR - LETTER "X"	350
3. REGULAR - DOUBLE BINGO	350
4. REGULAR - LARGE PICTURE FRAME	350
5. REGULAR - REGULAR/4 CORNERS	350
6. REGULAR - + (CROSS)	350
7. REGULAR - LETTER "Y"	350
8. REGULAR - HORIZONTAL BINGO	350
9. REGULAR - BORDER BINGO	350
10. PAPER SPECIAL - JAILHOUSE	500

INTERMISSION

11. PAPER SPECIAL - SMALL DIAMOND W/ ONE IN CORNER	400
12. REGULAR - SMALL PICTURE FRAME	350
13. REGULAR - DOUBLE BINGO W/WILD NUMBER	350
14. REGULAR - REGULAR / 4 CORNERS	350
15. REGULAR - DIAGONAL	350
16. REGULAR - KITE WITH A TAIL	350
17. REGULAR - DOUBLE BINGO - VERTICAL	350
18. REGULAR - HARDWAY BINGO	350
19. PAPER SPECIAL - TRIPLE BINGO W/WILD NUMBER	450
20. PAPER SPECIAL - BONANZA \$\$\$ JACKPOT \$\$\$ ——— BLACKOUT	3,000

\$

FULL PACKET INCLUDES:
 ROUND TRIP
 6 HARD CARDS
 8 PAPER SPECIALS
 2 JACKPOT PAPER SPECIALS

E X T R A S:
 HARD CARDS ----- \$2.00 or 3/\$5.00
 PAPER SPECIALS ---- \$2.00 or 3/\$5.00
 JACKPOT PAPER SPECIALS!!
 \$3.00 or 2/\$5.00

BINGO TOURS UNLIMITED
 Call: 371-4840

\$10,000
PRIZE MONEY



FULL PACKAGE: ----- BINGO ENTRY ----- \$50.00
 BUS TRIP ----- \$10.00 Discount Card Holders
 BUS TRIP ----- \$13.00 Non-Discount Card Holders

DEPARTURE TIME: 10:15 a.m. ----- E.O.F. Parking Lot -- 1014 Armstrong
 K.C.K.

DISCOUNT CARDS: COSTING \$7.00 FOR A PERIOD OF 6 MONTHS -- DISCOUNT ON
 TRIPS, DOOR PRIZES --- PURCHASE AT 1014 ARMSTRONG,
 K.C.K. --- BINGO TOURS UNLIMITED

DRIVING?? --- DON'T FORGET TO REGISTER AT THE BINGO TOURS UNLIMITED (BTU)
 TABLE TO PARTICIPATE IN A DOOR PRIZE DRAWING DURING
 INTERMISSION AT THE EVENT.

ATTENTION !!

THERE WILL BE A WHITE CLOUD SPONSORED SPECIAL BINGO GAME (\$5,000 TOTAL
 PRIZE MONEY) BEGINNING AT 7:00 P.M., (MAY 7, 1983) --- WHITE CLOUD AREA
RESIDENTS WILL BE GIVEN FIRST PRIORITY TO ATTEND THIS EVENT. ONLY THE
FIRST 50 PERSONS FROM KANSAS CITY, THAT HAVE PRE-PAID WILL BE GUARANTEED
A SEAT AT THIS EVENT.

ONLY IF THERE ARE SEATS AVAILABLE, WILL MORE THAN 50 KANSAS CITY AREA
PERSONS BE ADMITTED. RESERVATIONS AND PRE-PAYMENT MUST BE MADE THROUGH
BINGO TOURS UNLIMITED (BTU) --- 371-4840

TRIBAL BINGO RULES !!

- (1). ABSOLUTELY NO DRINKING ALLOWED!! --- ON THE PREMISES
INCLUDING THE PARKING LOT
- (2). ONLY PERSONS PLAYING BINGO WILL BE ADMITTED.
- (3). NO PERSONS UNDER THE AGE OF 12 YEARS WILL BE ADMITTED.

FOR INFORMATION: CALL BINGO TOURS UNLIMITED ----- 371-4840

\$

OTOE-MISSOURIA BINGO WORLD'S LARGEST BINGO HALL

GRAND OPENING APRIL 7, 1984

Red Rock, Oklahoma

\$300,000

Money and Prizes in a Single Day

Doors Open 11:00 a.m. Early Bingo 1:00 p.m. Regular Program 7:00 p.m.

EARLY BIRDS KENO BINGO \$1.00 each	Win Up To \$25,000 In A Single Game
20 REGULAR GAMES 1 Pack \$24 2 Pack \$38 4 Pack \$49	\$5,000
1 SUPER JACKPOT Guaranteed \$10,000 after 48 #'s \$3.00 per triple sheet	\$25,000
1 MASTER JACKPOT \$3.00 per sheet	\$100,000 PROGRESSIVE
4 BONANZAS \$2.00 each Guaranteed at 1/2 after 48 #'s	TOTALING \$12,000
4 NIGHTOWL SPECIALS Guaranteed at 1/2 after 48 #'s \$5.00 per pack	TOTALING \$16,000

\$69.00	ADMISSION PACKAGE
Includes:	
2 Triple Sheets for \$25,000 Jackpot	
2 Triple Sheets for \$100,000 Progressive	
40 Triple Sheets for 20 Regular Session Games (2 triple sheets each game) Plus Grand Opening Specials!	
3 Chances for 1984 Car to be given away April 7 Commemorative Grand Opening Shirt	
GRAND OPENING DOOR PRIZE 1984 CAR	

Purchase your admission package by March 18 and be eligible for a Hawaiian vacation for two.

For Reservations and Information
USA 1-800-654-3920 OK 1-800-522-3908

OTOE-MISSOURIA BINGO PROGRAM

April 7, 1984

1:00 P.M.

Keno Bingo	Up to \$25,000
Earlybirds	Average \$ 1,000
Bonanza #1	\$ 2,000*
Bonanza #2	\$ 3,000*

INTERMISSION

7:00 P.M.

1. Double Postage Stamp (In Corner)	\$ 5,000
2. Double Bingo	\$ 5,000
3. Letter L	\$ 5,000
4. Plus Sign	\$ 5,000
5. Letter X	\$ 5,000
6. Top and Bottom Line	\$ 5,000
7. 3 + 3 (Block of Nine)	\$ 5,000
8. Small Frame	\$ 5,000
9. Z Horizontal Lines	\$ 5,000
10. B + O Row	\$ 5,000
Bonanza #3	\$ 3,000*
Super Jackpot	\$25,000*

INTERMISSION

11. Letter H	\$ 5,000
12. Lucky Number 7 (One Way Only)	\$ 5,000
13. Double Bingo	\$ 5,000
14. Double Postage Stamps (In Corner)	\$ 5,000
15. Letter Y (One Way Only)	\$ 5,000
16. Fly-A-Kite (Top Corners Only)	\$ 5,000
17. Six Pack	\$ 5,000
18. Small Frame	\$ 5,000
19. Top and Bottom Line	\$ 5,000
20. Letter T (Anyway)	\$ 5,000
Bonanza #4	\$ 4,000*

OTOE PROGRESSIVE JACKPOT \$100,000**

Nightowls (4 Games) \$16,000*

* All are guaranteed full value in 48 numbers or less.
After 48th number, they guarantee half of stated value.

I want to be a part of the \$300,000 Grand Opening on April 7, 1984.

Enclosed is _____ for _____ tickets at \$69.00 each.

Name _____ Address _____

City _____ State _____ Zip _____

Phone: Area Code _____ Number _____

_____ I will need transportation _____

City & State _____

Personal checks accepted. To use VISA/Mastercard fill out below

VISA _____ Mastercard _____ Number _____ Expiration Date _____

Credit Card holders accepted by phone: USA 1-800-654-3920/OK 1-800-522-3908

**PURCHASE YOUR
ADMISSION PACK
BY MARCH 19
AND BE ELIGIBLE
FOR A HAWAIIAN
VACATION FOR TWO.**

****\$100,000**

Master Progressive Jackpot Coverall Schedule

Twice monthly the progressive jackpot will increase by \$5,000 until it is won. The value of the jackpot cannot be included on our flyers because of time limitations. Reproduced below is a 16-week schedule. * * * * * If the jackpot is hit on the 16th week in 63 numbers or less, it is guaranteed to pay \$100,000. If it goes past 16 weeks, the value will continue to grow by \$5,000 each session. After the jackpot has been won, it will automatically revert back to week 1.

Week	Winning Number	Guaranteed Payout
1	48 orless	\$ 50,000
2	48 orless 49	50,000 30,000
3	48 orless 49, 50	50,000 35,000
4	48 orless 49-51	50,000 40,000
5	48 orless 49-52	50,000 45,000
6	53 orless	50,000
7	54 orless	55,000
8	55 orless	60,000
9	56 orless	65,000
10	57 orless	70,000
11	58 orless	75,000
12	59 orless	80,000
13	60 orless	85,000
14	61 orless	90,000
15	62 orless	95,000
16	63 orless	\$100,000

Always Guaranteed Not Less Than \$25,000

HOW TO PURCHASE
ADMISSION TICKET

Send to:
Otoe-Missouria Bingo
Box 606
Stillwater, OK 74076

WONDA
781-0911

Cherokee Bingo
Cherokee N.C.

World's Largest
Bingo Game
Gets Larger

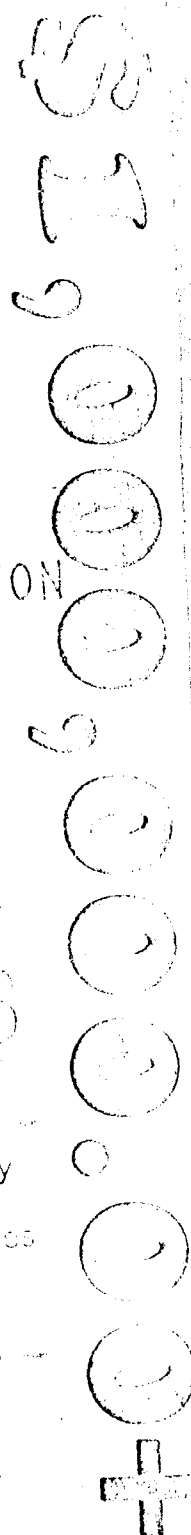
July 2, 1983
MARY McCUNE
2301 Rayford WASHINGTON
787-5117

One
Million
Dollars

Advance Ticket Sales Only
\$500⁰⁰ per pack
Includes Sheets for All Games
Tickets Sold on a first
come first served basis.

1-800-368-2464
In Va. (804) 340-5457

(See Program on other side)



JULY 2, 1983

-- PROGRAM --

30 Early Birds \$3,000 ea.
20 Regular Games \$20,000 ea.
4 Night Owl Games \$5,000 ea.

JACKPOT COVERALL #1

\$50,000

(49 Numbers or Less)
Guaranteed \$25,000

JACKPOT COVERALL #2

\$100,000

(49 Numbers or Less)
Guaranteed \$50,000

JACKPOT COVERALL #3

\$150,000

(48 Numbers or Less)
Guaranteed \$75,000

JACKPOT COVERALL #4

\$200,000

(48 Numbers or Less)
Guaranteed \$100,000

DOOR PRIZES

1983 Cadillac Coupe DeVille

1983 Sports Car

7-Day Caribbean Cruise and
\$500 in cash

Giant Screen TV

5 Cash Drawings \$2,000 ea.

5 Cash Drawings \$1,000 ea.

5 Cash Drawings \$500 ea.

YAQUI BINGO

TUCSON, ARIZONA
7406 SOUTH CAMINO DE OESTE



<u>COST OF PACKS</u>				
*4 Strips (2 packs): Regular Games	Big(3) \$10.00	Big(5) \$20.00	Big(7) \$30.00	Big(11) \$60.00
**4 Strips (2 packs): Special Games	Big(3) \$4.00	Big(5) \$8.00	Big(7) \$12.00	Big(11) \$24.00
*4 Strips (hard cards): Regular Games	(red) \$10.00	(blue) \$20.00	(gold) \$30.00	(green) \$60.00

EXTRAS SOLD ON FLOOR

"Specials" (2 Strips w/bonus line).....	\$1.00
1 "Bonanza" Ticket.....	\$1.00
1 "Your 7+1" Ticket.....	\$1.00
"Jackpot Sheets" (2 Strips w/bonus line).....	\$2.00

***FLOOR PACK

4 "Jackpot" Strips w/bonus line + 4 "Bonanza" Tickets + 4 "Your 7+1" Tickets
Total Cost/\$12.00.... YOUR COST/\$10.00

DISCOUNT PACKAGES

YAQUI PACK	ECONOMY PACK
*2 Strips w/bonus line Big(7) & Big(3) Regular Game	*4 Strips w/bonus line Big(3) Regular Game
**2 Strips w/bonus line Big(7) & Big(3) Special Game	**4 Strips w/bonus line Big(3) Special Game
*** Floor Pack (\$40.00 Value) YOUR COST/\$35.00 SAVE \$5.00	*** Floor Pack (\$26.00 Value) YOUR COST/\$22.00 SAVE \$4.00
* ALL AMERICAN REG. PACK 2 Strips each w/bonus line Big(11) + Big(7) + Big(5) + Big(3) (\$55.00 Value) YOUR COST/\$30.00 SAVE \$25.00	**ALL AMERICAN SPECIAL PACK 2 Strips each w/bonus line Big(11) + Big(7) + Big(5) + Big(3) (\$24.00 Value) YOUR COST/\$12.00 SAVE \$12.00

ALL AMERICAN TOUR PACK

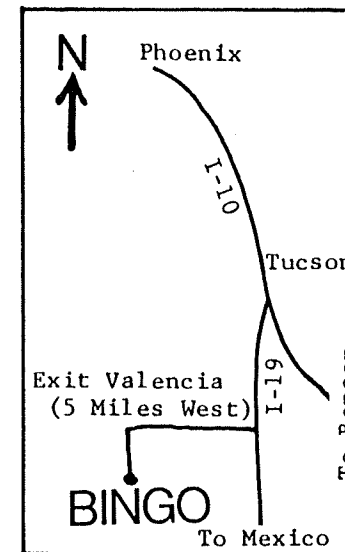
Bus and Tour Operators...ask about our All American Tour Pack.

\$\$ Mini-Tour "4 in car" package is a great money-saver. \$\$

A Chance To WIN Over

\$250,000.00 NIGHTLY

Plus FREE Bonus Line on ALL GAMES!!



DOORS OPEN.....5:00 P.M.
GAMES START.....6:00 P.M.
REGULAR SESSION...7:45 P.M.
\$\$\$\$ NIGHT OWLS FOLLOW \$\$\$\$

We play Thurs./Fri./Sat.& Sun. nights.

For Information Call:

In-town... (602) 578-0350
Out-of-town... 1-800-227-2367

SCHEDULE ON INSIDE OF SHEET
Prices of strips & discount packs on back of page.


SCHEDULE

ARM-UPS: Strip of 3= 25¢ / 2 Strips w/bonus line= 50¢.
(Speed-balls) Prize pays \$25.00 or more & free bonus line.


EARLY-BIRDS: Strip of 3=\$0.50/ 2 Strips w/bonus line=\$1.00.
Prize pays \$50.00 or more & free bonus line.

REGULAR SESSION: Free bonus line on all games. (paper only)


** 1. Special Letter "L":

Bingo pays:	18#'s	19#'s	20#'s	21#'s	22#'s
 Big(11)	\$20,000	\$16,000.	\$12,000.	\$8,000.	\$4,000.
Big(7)	\$15,000.	\$12,000.	\$9,000.	\$6,000.	\$3,000.
Big(5)	\$10,000.	\$8,000.	\$6,000.	\$4,000.	\$2,000.
Big(3)	\$5,000.	\$4,000.	\$3,000.	\$2,000.	\$1,000.


23#'s or more= Big(11)/\$1,100.; Big(7)/\$700.; Big(5)/\$500.; Big(3)/\$300.

	Big(11)	Big(7)	Big(5)	Big(3)	
* 2. Any 2 bingos pay:	\$1,100.	\$700.	\$500.	\$300.	
* 3. Any 2 bingos pay:	\$1,100.	\$700.	\$500.	\$300.	
* 4. Any 2 bingos pay:	\$1,100.	\$700.	\$500.	\$300.	

***5. "Jackpot" pays: 45#'s/\$50,000.; 46#'s/\$45,000.; 47#'s/\$40,000.;
48#'s/\$30,000.; 49#'s/\$20,000.; 50#'s/10,000.; 51#'s/\$5,000.; 52#'s/
\$4,000.; 53#'s/\$3,000.; 54#'s/\$2,000.; Consolation prize pays \$1,000.
Add one (1) number each week until prize over \$1,000. is won.


	Big(11)	Big(7)	Big(5)	Big(3)	
* 6. Any 2 bingos pay:	\$1,100.	\$700.	\$500.	\$300.	
* 7. Any 2 bingos pay:	\$1,100.	\$700.	\$500.	\$300.	

** 8. Special Letter "T":


Bingo pays:	16#'s	17#'s	18#'s	19#'s	20#'s
 Big(11)	\$20,000.	\$16,000.	\$12,000.	\$8,000.	\$4,000.
Big(7)	\$15,000.	\$12,000.	\$9,000.	\$6,000.	\$3,000.
Big(5)	\$10,000.	\$8,000.	\$6,000.	\$4,000.	\$2,000.
Big(3)	\$5,000.	\$4,000.	\$3,000.	\$2,000.	\$1,000.

21#'s or more= Big(11)/\$1,100.; Big(7)/\$700.; Big(5)/\$500.; Big(3)/\$300


***9. "Your 7+1" Bingo: 7 out of 20 numbers(#'s)/\$20,000. on bonus number,
\$10,000. on any number.; After 20#'s/\$1,400. on bonus number, \$700. on
any number. Add \$500. each week until a prize with 20#'s or less is won.
(Sales end on 6th game.)

 "LUCKY" 4-LEAF CLOVER games have a FREE Bonus Line
on paper cards only. WIN up to \$2,500.00 extra.


REGULAR SESSION (continued):

	Big(11)	Big(7)	Big(5)	Big(3)	
*10. Any 2 bingos pay:	\$1,100.	\$700.	\$500.	\$300.	
*11. Any 2 bingos pay:	\$1,100.	\$700.	\$500.	\$300.	
*12. Any 2 bingos pay:	\$1,100.	\$700.	\$500.	\$300.	

***13. "Bonanza" bingo pays: 48#'s/\$11,000.; 49#'s/\$7,000.; 50#'s/\$5,000.;
Consolation prize pays \$500. Add one (1) number each week until a
big prize is won.

	Big(11)	Big(7)	Big(5)	Big(3)	
*14. Any bingo pays:	\$1,100.	\$700.	\$500.	\$300.	
*15. Any bingo pays:	\$1,100.	\$700.	\$500.	\$300.	

**16. Special "2 Top or 2 Bottom Lines":

Bingo pays:	20#'s	21#'s	22#'s	23#'s	24#'s
 Big(11)	\$20,000.	\$16,000.	\$12,000.	\$8,000.	\$4,000.
Big(7)	\$15,000.	\$12,000.	\$9,000.	\$6,000.	\$3,000.
Big(5)	\$10,000.	\$8,000.	\$6,000.	\$4,000.	\$2,000.
Big(3)	\$5,000.	\$4,000.	\$3,000.	\$2,000.	\$1,000.

25#'s or more= Big(11)/\$1,100.; Big(7)/\$700.; Big(5)/\$500.; Big(3)/\$300.

17. Night Owls:
18. Night Owls: } Prize pays \$200. or more.
19. Night Owls: } (Strip of 3/\$1.) (2 Strips w/bonus line/\$2.)
20. Night Owls:
21. to.....? Prize pays 70% of money collected.

	FREE Bonus Line FREE			
	Regular Session			
Big:	(11)	(7)	(5)	(3)
1st 3#s pays	\$2,500.	\$2,000.	\$1,500.	\$1,000.
1st 4#s pays	2 packs	2 packs	2 packs	2 packs
1st 10#s pays	1 pack	1 pack	1 pack	1 pack
After 10#s try again next game. (Playbacks good for (5) days from date stamped on receipt.)				

	FREE Bonus Line FREE	
	Warm-ups/Early Birds	
	Night Owls	
1st 3#s pays	\$1,000.00	
1st 4#s pays	...\$300.00	
1st 10#s pays\$50.00	
After 10#s try again next game.		

YAQUI BINGO
TUCSON, ARIZONA

(RULES ARE POSTED ON WALLS)

NEWS

JOHN CARLIN
GOVERNOR OF KANSAS



Michael Swenson, Press Secretary The Statehouse, Topeka 66612 (913) 296-2716

FOR IMMEDIATE RELEASE: March 30, 1984

4-3-84

Attachment # 2

Governor John Carlin today discussed solutions to the overcrowding problem in the state correctional system.

Carlin said, "In January, I went before the Legislature to outline my agenda for this session. At that time, I made it clear that we had several problems confronting our state which needed to be addressed. I am pleased to say we are making progress on most of those fronts.

"However, one of the problems I urged the Legislature to address continues to worsen and demands more attention. Our prisons are filling faster than the projections of even a few months ago. The consequences of ignoring this situation are serious. We must find additional solutions, both immediate and long-range.

"There is still no final consensus on a package to solve these problems. Election year concerns have made it difficult for some to support either the funding solution proposed by legislative leadership or the sentencing changes many believe are necessary to help relieve the overcrowding situation.

"Two weeks ago I unveiled a package which addresses both our short and long-term needs. I am renewing my recommendations today with an alternate suggestion of how to fund the construction and renovation projects.

"I am today recommending the creation of a State Correctional Institutions Building Fund in our constitution. It would be funded by an increase in the property tax mill levy as proposed by the leadership.

Attachment # 2

I recommend this mill levy be placed before the voters in November for their approval. If they approve it, the state will then have a permanent source of funding to finance correctional projects. It could help the state avoid facing a crisis similar to the one we face today.

"In addition to that recommendation, I am today urging the Legislature to quickly address my request for an additional 192 beds to solve our short term problems. I am also asking for money to conduct a feasibility study on conversion of an existing state facility for use as a correctional institution. Also, I request planning money for construction of a new women's prison, and I renew my support for certain sentencing changes now being considered by the Kansas Senate.

"I believe this package when combined with other actions already taken, will move us toward a real solution of our overcrowding problem. I doubt if any legislator wants to leave this session having ignored the serious crisis in our prisons only to have an emergency situation arise at one of our institutions, a situation which the Legislature now has the opportunity to avoid."

The Governor is recommending appropriations of \$165,000 in FY 1984 and \$468,000 in FY 1985 to finance the costs relating to an additional 192 beds. Those beds can be made available by converting unused space at the Lansing and Hutchinson institutions. The Governor recommends an appropriation of \$100,000 to the Department of Corrections and \$50,000 to the Department of Social and Rehabilitation Services for feasibility studies on conversion of an existing state facility for use as a corrections facility. In addition, he is requesting an appropriation of \$175,000 to begin planning a new 300-bed women's prison.

he Governor recommends repeal of provisions of House Bill No. 3104, enacted in 1982 and widely regarded as a significant contributing factor to current conditions of crowding in Kansas prisons. Although the act increased minimum sentences for Class C, D and E felonies the Governor's recommendation affects minimum sentences in the D and E classes only. In the case of non-violent D felonies the minimum range would be restored to 1-3 years from the current range of 2-3 years. Minimum prison terms for E felons would again be fixed at one year rather than the 1-2 year range now allowed. Other sentencing changes in the bill under Senate consideration include an increase in the value threshold of certain property crimes and creation of a presumptive sentence of probation for first-time Class E offenders convicted of non-violent crimes.

April 3, 1984
Attachment # 3



MAYNARD L. BRAZEAL
Director
316-662-3378

THE UNIVERSITY OF KANSAS
KANSAS LAW ENFORCEMENT TRAINING CENTER
P.O. Box 647
Hutchinson, Kansas 67504-0647



March 28, 1984

Edward F. Reilly, Jr., Senator
Third District
Leavenworth and Wyandotte Counties
430 Delaware
Leavenworth, Kansas 66048

Dear Senator Reilly:

It is my understanding that you wish an update on the impact of S.B. 499 enacted in the 1982 legislature. In general S.B. 499 put the state of Kansas in the law enforcement training business, but, more importantly, the training program took a quantum leap into a posture of professional development of law enforcement officers in this state.

The 320 contact-hour mandate enabled instructors to give more in-depth instruction where needed such as Kansas Criminal Code, Laws of Arrest, Search and Seizure, Traffic Accident Investigation and much needed skill training in Family Crises, Spouse Abuse, Criminal Investigation and Emergency Vehicle Operation.

The mandated to-hour in-service training for all full-time law enforcement officers has been most appreciated by the majority of law enforcement agencies. One of the main reasons for this support and compliance was that the Training Commission recommended to the Kansas Law Enforcement Training Center that a training program could be approved by the agency head and the program would be approved in turn by the Director of Police Training and the Commission. The result of this approach is that many officers and, in fact, many departments have their 40-hour commitment completed even at this early date. Any complaints have been answered by the law enforcement community itself who, as you well know, worked so long for this progressive approach to career development.

The Central Registry has been a boon to the planning and enforcement of the training law. It gives us some insight of training needs with regard to the number of participants who are current. This information not only involves the basic program, but it also includes the status of the participants of the 40-hour in-service mandate. We have received great assistance in enforcement of the registration of all full-time and part-time paid officers from the Office of the Attorney General.

In regard to the pre-training evaluation we have been giving a psychological and intelligence examination as part of this evaluation with much success in determining the trainability of the officers. We have had some resistance from some, not all,

Attachment # 3

Edward F. Reilly, Jr., Senator
March 28, 1984
Page 2

of the large cities because of the fact that they already give this type of testing prior to hiring the officers. However, we are working out a compromise which will be compatible with the law but still be an effective measure of the officer's mental and psychological strengths and weaknesses. Also, as a part of this pre-training evaluation the department head certifies that the potential trainee is in compliance with the standards spelled out in the law.

I hope this gives you an adequate epitome of the progress of a superb training law which you so ably initiated.

Respectfully,



MAYNARD L. BRAZEAL

MLB:jg

SENATE CONCURRENT RESOLUTION NO. _____

By

A PROPOSITION to amend section 10 of article 15 of the constitution of the state of Kansas, relating to intoxicating liquors; authorizing the legislature to permit and provide for county option in the sale of liquor by the individual drink.

Be it resolved by the Legislature of the State of Kansas, two-thirds of the members elected to the Senate and two-thirds of the members elected to the House of Representatives concurring therein:

Section 1. The following proposition to amend the constitution of the state of Kansas shall be submitted to the qualified electors of the state for their approval or rejection: Section 10 of article 15 of the constitution of the state of Kansas is amended to read as follows:

§ 10. Intoxicating liquors. (a) The legislature may provide for the prohibition of intoxicating liquors in certain areas. ~~Subject-to-the-foregoing,~~

"(b) The legislature may regulate, license and tax the manufacture and sale of intoxicating liquors, and may regulate the possession and transportation of intoxicating liquors. ~~The-open-sale-on-shall-be-and-is hereby-forever-prohibited.~~

"(c) The sale of intoxicating liquor by the individual drink is prohibited, except that the legislature may permit, regulate, license and tax the sale of liquor by the drink in any county in which the qualified electors of the county have determined, by a majority vote of those voting thereon, to permit the sale of intoxicating liquor by the drink within the boundaries of the county."

Sec. 2. The following statement shall be printed on the

ballot with the amendment as a whole:

"Explanatory statement. This proposed amendment would authorize the legislature to permit, license, regulate and tax the sale of liquor by the drink in any county where the voters have approved its sale in their county.

"A vote for the proposed amendment would permit the sale of liquor by the drink in any county where the voters approve its sale in their county.

"A vote against the proposed amendment would continue the current prohibition against the sale of liquor by the drink."

Sec. 3. This resolution, if concurred in by two-thirds of the members elected to the senate and two-thirds of the members elected to the house of representatives, shall be entered on the journals, together with the yeas and nays. The secretary of state shall cause this resolution to be published as provided by law and shall cause the proposed amendment to be submitted to the qualified electors of the state at the general election in the year 1984 as provided by law unless a special election is called at a sooner date by concurrent resolution of the legislature, in which case it shall be submitted to the qualified electors of the state at the special election.

4-3-84
Attachment # 5

KANSAS LEGISLATIVE RESEARCH DEPARTMENT

Room 545-N - State House

Phone 296-3181

Date March 30, 1984

TO: SENATOR ED REILLY Office No. 255-E

RE: LIQUOR BY THE DRINK

You have asked our office to prepare an estimate of projected revenues which the state could realize were a constitutional amendment approved to permit the sale of liquor by the drink. Such a projection is virtually impossible to make since none of the variables concerning the amount and method of taxation are known. However, the latest FY 1984 estimates of collections from the gallonage tax on alcohol, wine, strong beer, and cereal malt beverages, the liquor enforcement tax, and the 10 percent private club tax may be helpful to you. These estimated revenue amounts are shown below.

Gallonage Tax		
(Includes CMB)	FY 1984	\$18,050,000
Enforcement Tax	FY 1984	17,000,000
Private Club Tax	FY 1984	<u>8,800,000</u>
Total		\$43,850,000

I hope this information is helpful.

JR Mills
J. Russell Mills, Jr.
Principal Analyst

JRM/sdp

Attachment # 5

SENATE CONCURRENT RESOLUTION NO. _____

By

A PROPOSITION to amend the constitution of the state of Kansas by adding a new section thereto authorizing the legislature to permit, regulate, license and tax horse racing by bona fide nonprofit organizations and parimutuel wagering thereon and to provide for county option thereon.

Be it resolved by the Legislature of the State of Kansas, two-thirds of the members elected to the Senate and two-thirds of the members elected to the House of Representatives concurring therein:

Section 1. The following proposition to amend the constitution of the state of Kansas shall be submitted to the qualified electors of the state for their approval or rejection: Article 15 of the constitution of the state of Kansas is amended by adding a new section thereto to read-as follows:

"§ 3b. Regulation, licensing and taxation of horse racing and parimutuel wagering thereon; disbursal of revenue therefrom. Notwithstanding the provisions of section 3 of article 15 of the constitution of the state of Kansas, the legislature may permit, regulate, license and tax the operation or conduct, by bona fide nonprofit organizations, of horse racing and parimutuel wagering thereon in any county in which the qualified electors of the county have determined, by a majority vote of those voting thereon, to permit such racing and wagering within the boundaries of the county."

Sec. 2. The following statement shall be printed on the ballot with the amendment as a whole:

"Explanatory statement. This proposed amendment would authorize the legislature to permit, license, regulate and tax horse races and parimutuel wagering on horse races, conducted by nonprofit organizations, in

any county where the voters have approved the conduct of the races and wagering in their county.

"A vote for the proposed amendment would permit horse racing with parimutuel wagering in any county where the voters approve the conduct of the races and wagering in their county.

"A vote against the proposed amendment would continue the current prohibition against parimutuel wagering on horse races."

Sec. 3. This resolution, if concurred in by two-thirds of the members elected to the senate and two-thirds of the members elected to the house of representatives, shall be entered on the journals, together with the yeas and nays. The secretary of state shall cause this resolution to be published as provided by law and shall cause the proposed amendment to be submitted to the electors of the state at the state general election in the year 1984 as provided by law unless a special election is called at a sooner date by concurrent resolution of the legislature, in which case it shall be submitted to the qualified electors of the state at the special election.

4-3-84
Attachment # 7

MEMORANDUM

March 28, 1984

TO: Senator Edward Reilly
FROM: Kansas Legislative Research Department
RE: Parimutuel Wagering

One concurrent resolution (H.C.R. 5082) proposing a constitutional amendment to permit parimutuel wagering has been recommended by the House Committee on Federal and State Affairs. If the Resolution were adopted, the Constitution would be amended to permit such wagering which would be subject to regulation by the Legislature.

There is no fiscal note on the Resolution because it does not contain the details of regulation, licensing, and taxation. All of that would be left to a future Legislature.

Attached for your information are (1) a table showing state revenue in FY 1983 from parimutuel wagering, and (2) the 1984 estimate of the economic impact of parimutuel wagering in Kansas prepared by Dr. William Terrell. Dr. William Terrell of Wichita State University estimates that the state would collect some \$26.2 million revenue from total expenditures at race tracks. A copy of Professor Terrell's 55-page report entitled, "The Likely Economic Impact of Pari-Mutuel Horse Racing in Kansas," July 1980, is available on loan from the Kansas Legislative Research Department.

84-55a/RM

Attachment # 7

STATE GOVERNMENT TAX COLLECTIONS IN 1983

Table 4. State Government Sales and Gross Receipts Tax Revenue: 1983

(Thousands of dollars)

State	Total	General sales or gross receipts	Selective sales and gross receipts								Other
			Total	Motor fuels	Public utilities	Tobacco products	Insurance	Alcoholic beverages	Parimutuels	Amusements	
Number of States using tax....	50	45	50	50	41	50	50	50	31	28	35
All States.....	83,840,134	53,626,783	30,213,351	10,793,333	5,650,815	4,001,392	3,857,437	2,743,092	729,269	366,044	2,071,969
Alabama.....	1,385,536	659,663	725,873	240,850	214,603	68,226	76,710	88,368	(X)	69	37,047
Alaska.....	74,614	(X)	74,614	36,675	1,445	5,290	13,842	10,413	(X)	(X)	6,949
Arizona.....	1,145,486	845,306	300,180	151,780	32,861	42,205	39,485	23,712	10,137	(X)	(X)
Arkansas.....	706,742	437,474	269,268	132,781	(X)	55,236	38,226	23,888	19,137	(X)	(X)
California.....	9,952,672	7,766,551	2,186,121	925,560	130,453	262,351	658,704	136,172	118,473	(X)	54,408
Colorado.....	885,909	622,548	263,361	143,016	2,178	36,630	47,871	24,543	8,735	388	(X)
Connecticut.....	1,798,600	1,104,136	694,464	159,014	235,945	73,669	77,705	26,237	61,233	12,444	48,217
Delaware.....	90,052	(X)	90,052	37,707	18,810	12,336	13,619	5,111	520	2	1,947
Florida.....	4,795,751	3,334,207	1,461,544	451,940	136,653	275,294	125,715	316,644	111,789	2,348	41,161
Georgia.....	1,784,280	1,173,027	611,253	353,429	(X)	85,597	70,356	101,871	(X)	(X)	(X)
Hawaii.....	755,861	601,127	154,734	33,761	66,395	17,609	27,670	9,299	(X)	(X)	(X)
Idaho.....	288,608	165,403	123,205	77,327	2,177	10,382	23,517	8,092	339	(X)	1,371
Illinois.....	3,869,661	2,394,075	1,474,986	361,416	646,207	173,287	110,091	73,394	69,023	7,882	33,686
Indiana.....	2,009,813	1,521,846	487,967	316,935	79,051	79,054	57,977	33,945	(X)	56	(X)
Iowa.....	889,277	571,087	188,190	188,271	3,106	60,384	49,432	16,728	(X)	(X)	269
Kansas.....	728,372	498,495	229,877	115,180	905	33,481	44,901	34,599	(X)	811	(X)
Kentucky.....	1,187,337	700,407	486,930	197,100	(X)	20,771	99,334	49,408	10,097	275	109,945
Louisiana.....	1,356,288	838,511	517,777	186,105	39,738	60,987	121,780	55,950	25,869	196	27,152
Maine.....	421,911	270,309	151,602	55,440	24,381	23,988	15,842	30,716	1,235	(X)	(X)
Maryland.....	1,546,318	865,887	681,231	233,407	83,397	68,640	66,040	28,984	16,891	910	182,962
Massachusetts.....	1,735,723	1,051,712	684,011	250,425	(X)	142,912	134,890	82,709	35,457	10,108	27,510
Michigan.....	2,773,197	1,969,377	803,820	456,490	(X)	126,889	102,345	96,751	21,303	42	(X)
Minnesota.....	1,698,291	992,259	706,032	262,101	113,237	85,008	68,776	53,093	(X)	5	123,812
Mississippi.....	1,023,288	761,391	261,897	135,226	(X)	35,067	56,650	34,650	(X)	304	(X)
Missouri.....	1,387,915	984,874	403,041	194,290	1,047	77,929	105,532	24,243	(X)	(X)	(X)
Montana.....	107,323	(X)	107,323	48,890	5,864	11,162	24,799	15,071	125	(X)	1,412
Nebraska.....	560,707	356,608	204,099	119,752	789	29,935	25,599	13,774	8,964	962	4,324
Nevada.....	669,071	368,332	300,739	66,871	3,253	13,399	15,440	11,564	202	189,716	294
Nevada.....	158,975	(X)	158,975	60,994	519	25,515	15,143	5,991	7,217	(X)	43,596
New Hampshire.....	3,309,264	1,660,284	1,648,980	288,981	828,816	214,543	103,599	59,716	11,750	130,985	10,590
New Mexico.....	656,835	476,664	180,171	93,509	5,465	15,033	25,191	17,146	2,134	95	21,598
New York.....	5,727,816	3,531,930	2,195,886	436,796	885,373	330,976	222,619	142,292	100,891	968	75,971
North Carolina.....	1,763,988	825,703	938,285	379,480	304,277	17,512	98,722	116,465	(X)	(X)	21,829
North Dakota.....	219,338	146,377	72,961	35,539	4,025	10,492	10,153	6,427	(X)	(X)	6,325
Ohio.....	3,685,835	2,004,589	1,681,246	588,531	639,406	188,393	152,556	70,359	24,596	(X)	17,405
Oklahoma.....	800,614	409,125	391,489	128,102	12,569	80,533	67,490	38,476	(X)	(X)	64,319
Oregon.....	211,859	(X)	211,859	97,118	2,785	61,941	34,154	10,587	5,274	(X)	(X)
Pennsylvania.....	4,175,875	2,365,061	1,810,814	558,402	503,648	250,733	177,102	135,401	21,864	164	163,500
Rhode Island.....	374,083	212,446	161,637	44,493	50,913	29,292	14,487	7,609	8,101	104	6,638
South Carolina.....	1,140,747	691,575	449,172	213,909	25,051	29,671	52,906	101,393	(X)	6,000	20,242
South Dakota.....	279,173	173,539	105,634	55,155	460	10,634	14,853	9,190	2,279	(X)	13,063
Tennessee.....	1,704,157	1,177,234	526,923	282,937	25,042	79,211	72,663	59,113	(X)	476	7,481
Texas.....	5,671,153	3,319,992	2,351,161	490,375	309,722	354,965	223,693	272,345	(X)	223	699,838
Utah.....	527,377	391,346	136,031	85,895	2,715	13,261	22,984	11,176	(X)	(X)	(X)
Vermont.....	175,176	66,711	108,465	28,134	13,605	9,568	7,236	14,070	878	(X)	34,974
Virginia.....	1,440,702	721,580	719,122	321,394	116,041	17,532	87,071	78,487	(X)	77	98,520
Washington.....	3,116,201	2,453,969	662,232	241,353	144,895	104,151	53,619	105,460	12,395	359	(X)
West Virginia.....	1,005,196	745,360	259,836	106,290	(X)	36,486	34,938	6,723	12,335	(X)	63,064
Wisconsin.....	1,825,864	1,209,440	616,424	287,576	112,044	127,931	45,691	42,557	(X)	75	550
Wyoming.....	241,903	190,046	51,857	36,631	(X)	5,301	7,719	2,180	26	(X)	(X)
EXHIBIT: District of Columbia	423,792	266,263	157,529	23,402	66,289	9,815	15,969	7,452	(X)	(X)	34,602

*Note: See table 9 for information on particular tax and additional analytical detail.

X Not applicable.

SOURCE: U.S. CENSUS BUREAU, JANUARY 1984

THE LIKELY ECONOMIC IMPACT OF PARI-MUTUEL
HORSE RACING IN KANSAS: 1984 ESTIMATE

by

William T. Terrell
(Economist)

Wichita, Kansas
February, 1983

INTRODUCTION

The 1980 study of pari-mutuel horse racing in Kansas provided estimates of economic impact as of 1979. The estimation procedure relied heavily upon attendance and expenditure patterns in Nebraska. Two additional estimates were developed in 1981. One reflected race track attendance in all states (32 in 1979) that permit pari-mutuel horse racing (the racing states estimate). The other incorporated track attendance in metropolitan areas where on-track wagering is legal (the metropolitan estimate). All three estimates employed the same method. They differed only with respect to the proportion of population that attends horse races. Since 1979, continuing urbanization, the age structure of the urban population, and per capita income in urban areas suggest that the racing states estimate provides a conservative statement of economic impact in Kansas. The purposes of this note are a) to restate selected findings from the 1980 study, and b) to present racing states estimates of economic impact in Kansas as of 1984.

GENERAL FINDINGS

Preparation of the 1980 study required extensive reading of government, academic, and industry publications with respect to the social and economic characteristics of gambling in general and of pari-mutuel horse racing in particular. Conclusions emerging from this literature, as well as from statistical analysis, are presented below in summary form. The list excludes anecdotal commentary, uninformed opinion, and statements that rest upon a very small number of observations.

1. Each form of legalized gambling is substantially different from other forms with regard to social and economic characteristics. The consequences of legalizing one form do not generalize to the legalization of other forms.

2. As a means of recreation, pari-mutuel horse racing meets the diversification criterion of balanced regional economic growth.
3. Nationally, consumer spending on the services provided by pari-mutuel horse racing is about one tenth of one per cent of total consumption spending.
4. Owners of race horses spend far more on breeding, boarding, and training than they collectively receive from purses.
5. The percentage of persons (in a given income class) that bets at horse races increases as income increases until reaching the highest income classes, where it stabilizes at about 20 per cent.
6. State pari-mutuel taxes on horse racing are about equal in tax regressivity to state general sales taxes (both are mildly regressive). State bingo taxes are twice as regressive as sales or pari-mutuel taxes.
7. On-track pari-mutuel horse racing currently is legal in 34 states. Oklahoma and Minnesota legalized this activity in 1982. Pari-mutuel horse racing is legal in all states west of Kansas except Utah. Missouri is the only border state of Kansas that has not legalized pari-mutuel horse racing.
8. Pari-mutuel horse racing provides state revenue, but it is not a cure-all for long-term fiscal problems. From the experience of other states, it is reasonable to expect pari-mutuel taxes near the amount of two per cent of Kansas general fund revenue. States can adversely affect the dollar value of pari-mutuel revenue by imposing relatively high pari-mutuel tax rates.
9. Non-profit pari-mutuel racing has worked well in Nebraska. Such an evaluation extends to several criteria: response to public recreational demand, employment impact, government revenue, law enforcement, race-track administration, and social cost versus social benefit. On a variety of population-based social measures, Kansas (without pari-mutuel horse racing) is not significantly different from Nebraska.
10. As states have made available legal horse tracks, there is no evidence that this has made the enforcement task of police harder or easier.
11. There are no firm conclusions regarding either the incidence or the causes of compulsive gambling. A government study suggests that perhaps eight tenths of one per cent of the adult population exhibits compulsive gambling characteristics. But the same study warns that compulsive gambling is often symptomatic of fundamental psychological disorder. Moreover, there is no unambiguous direction of causation between compulsive gambling and personal problems.

12. The gestation and operation of a racing industry require large quantities of labor relative to other industries. Moreover, the industry is an employer of low- to medium-skilled labor. It is conservatively estimated that a mature racing industry would create new employment opportunities in the range of nine to ten thousand permanent positions.

ECONOMIC IMPACT: 1984

New industry contributes to state economic growth by altering financial flows between residents and non-residents. Such flows consist primarily of consumption and investment spending. Pari-mutuel horse racing will increase resident spending on recreational activity via reversing some current out-of-state spending by Kansas families. It also increases the Kansas expenditures of non-residents. In light of increasing urbanization and growing family income, these sources of new consumer spending will increase during the 1980's. Pari-mutuel horse racing also requires new and substantial investment spending in Kansas. Investment refers to construction expenditures and to purchases of capital equipment, e.g., race tracks, stables, and related business establishments. There are two major sources of new investment spending. First, the new industry permits in-state investment of Kansas saving that presently is used to finance capital projects in other states. Second, residents in other states will increase their investment spending in Kansas. In brief, economic impact analysis of new industry begins with an evaluation of new in-state spending. This, in turn, leads to estimates of new income, new employment, and new government revenue.

Relative to 1979, the 1984 estimates allow for a three per cent increase in the urban population and assume a 20 per cent increase in per capita income. The 1984 figures assume that the legal takeout plus breakage is 15.8 per cent of the total wagered, which is distributed as follows: 5.5 per cent to the state as pari-mutuel tax and a share of breakage; 5.3 per cent to purses; 5.0 per cent to track revenues. In the 1979 estimates breakage was assumed to be one per cent

of the total wagered, and no portion of it was allocated to the state. Selected estimates for 1984 are presented below, depending upon various measures of industry spending.

1. State Revenue Collected at Race Tracks.

Total spending at track sites provides new revenue sources as well as more revenue from existing tax sources. Assuming the industry to be in place as of 1984, it is estimated that new tax sources would yield \$24,173,353. In addition, the state would collect \$2,040,178 more from sales, income, and other existing taxes. In sum, the state would collect \$26,213,531 revenue from total expenditures at race tracks.

2. New Nonrecurring Investment.

Recognizing that the industry is not now in place, it is estimated (at 1984 levels) that about \$220 million investment would be required to develop a mature racing industry. This includes new construction and new capital equipment with reference to race tracks, restaurants, hotels, and a variety of other related businesses. The total impact of such investment on Kansas personal income is \$440 million, which would be spread over several years.

3. New Recurring Expenditures.

New spending that occurs in each future year has a multiple and permanent effect on state revenue, personal income, and employment. This is the most important effect of new industry: new spending provides new income, which it in turn is spent, thus creating more income. New state revenue and new employment is generated at each successive round of converting expenditures into income. At 1984 levels, the ultimate economic impact of new recurring spending is estimated as follows:

- a. New State Revenue: \$32,629,621 per year.
- b. New Personal Income: \$193,567,930 per year.
- c. New Employment: 9,583 year-round positions per year.

SENATE CONCURRENT RESOLUTION NO. _____

By

A PROPOSITION to amend Article 15 of the constitution of the state of Kansas by adding a new section thereto authorizing the legislature to provide for a state-operated lottery.

Be it resolved by the Legislature of the State of Kansas, two-thirds of the members elected to the Senate and two-thirds of the members elected to the House of Representatives concurring therein:

Section 1. The following proposition to amend the constitution of the state of Kansas shall be submitted to the qualified electors of the state for their approval or rejection: Article 15 of the constitution of the state of Kansas is amended by adding a new section thereto to read as follows:

"§ 3b. State-operated lottery. Notwithstanding the provisions of section 3 of article 15 of the constitution of the state of Kansas, the legislature may provide for a state-owned and operated lottery."

Sec. 2. The following statement shall be printed on the ballot with the amendment as a whole:

"Explanatory statement. This proposed amendment would authorize the legislature to provide for a state-operated lottery.

A vote for the proposed amendment would permit the legislature to provide for operation of a state lottery.

A vote against the proposed amendment would continue the current prohibition against certain lotteries."

Sec. 3. This resolution, if concurred in by two-thirds of the members elected to the senate and two-thirds of the members elected to the house of representatives, shall be entered on the journals, together with the yeas and nays. The secretary of

state shall cause this resolution to be published as provided by law and shall cause the proposed amendment to be submitted to the electors of the state at a special election which is hereby called for the purpose of submitting constitutional amendments to be held August 7, 1984, as provided by law.

4-3-84
Attachment # 9

MEMORANDUM

March 28, 1984

TO: Senator Edward Reilly
FROM: Kansas Legislative Research Department
RE: State Lottery

You have asked our office to prepare an estimate of the projected revenues which could be realized if a state lottery were established in Kansas. Such an estimate is extremely difficult to project since many of the variables concerning the proposed lottery have not been determined and could only be determined through the enabling legislation which would have to be enacted after approval of the constitutional amendment. Some of these variables include the type or types of lotteries, the amount of gross sales, the net proceeds retained by the state, and the distribution of the net proceeds.

A recent article in State Legislatures (March 1984) contains information on the lotteries conducted by the 17 lottery states. A copy is enclosed. The article notes that per capita net proceeds from state lotteries range from Vermont's \$2 to Maryland's \$46, although the average net proceeds per capita for all lottery states is \$21.53 (FY 1983). The table below indicates possible projected revenues from a Kansas lottery assuming net proceeds per capita of \$10, \$15, or \$20.

Net Proceeds Per Capita	\$ 10	\$ 15	\$ 20
1980 Kansas Population	2,364,236	2,364,236	2,364,236
Net Proceeds (in millions)	\$ 23.6	\$ 35.5	\$ 47.3

84-55/RM

Attachment # 9

State lotteries: Roses and thorns

Some states have found them to be a bonanza; others aren't so sure. An assessment of lotteries in 17 states.

Bill Curry

In Flagstaff, Ariz., local officials improved a hazardous railroad grade crossing where train-vehicle accidents had taken a number of lives. In Denver and its neighboring suburbs, state and local officials are building a 12.5-mile bicycle path, despite a tight state budget that threatens spending for schools. In Pennsylvania, the elderly poor get tax breaks or rent rebates, and all senior citizens soon may receive prescription drug subsidies. And in Sequim, Wash., the Tom-Tom grocery is paying its rent and electricity bill from the profits on just one item it sells.

Such are the fruits of state lotteries in America today. The modern era of lotteries began 20 years ago when New Hampshire held the first one. Since then, lotteries have grown to be a \$5.2 billion-a-year industry and have raised \$9.8 billion dollars for the 17 states that now have them. Fully 40 percent of the U.S. population lives in lottery states.

Conversely, of course, for a variety of public policy reasons, 33 states don't have lotteries. Included among their ranks is the one many lottery proponents consider the grand prize:

California, where efforts to enact lottery legislation have failed every year for the past decade and a dozen initiative efforts have failed to make the ballot.

lottery director hired for his business and marketing experience to make it successful.

The appeal and success of lotteries in some states speaks clearly:

- In Pennsylvania last October, annual sales passed the \$1 billion-a-year mark, a stunning testament to a lottery's ability to raise money without increasing taxes.

- In Illinois, it took seven years to sell the first billion dollars in tickets — and only 23 months for the second billion.

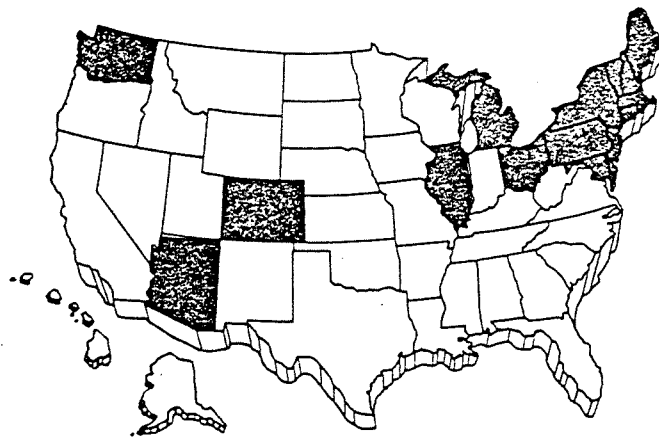
- In Maryland, lottery ticket proceeds to the state are now the third biggest source of general fund revenue, equal to an additional 1 to 2 cents on the state's 5-cent sales tax.

The end is hardly in sight. With states increasingly pinched between rising expenses and pressures to reduce taxes, with more aggressive marketing by the lotteries, and with the introduction of new games to attract new players, the lottery industry is expected to continue its growth and evolution.

Waiting in the wings, both to take

Bill Curry is Denver bureau chief for the *Los Angeles Times*.

The 17 Lottery States



The modern lottery era has seen simple lottery drawings that promised the magic of becoming a millionaire evolve into a complex, high-technology world of instant tickets, computerized daily numbers games, and cumulative lotto games whose payoffs are limited only by the bets of the hopeful and the odds against them. The ex-FBI agent, once hired to keep a lottery "clean," has stepped aside in many states for the

...vantage of and dramatically change that future, is a new, technological generation of "video" lotteries. Play a skill game similar to Pac-Man and if your score matches a predetermined number, you win. Moreover, increasing numbers of states are expanding their lottery agencies' role into regulating charity bingo and other games of chance.

Therefore, it is not surprising that 1984 will present a number of states with lottery-related questions. Initiative campaigns to create lotteries are underway in Arkansas, California, Florida, and Oregon. In November, West Virginia voters will decide a state Senate-initiated referendum to permit lotteries.

Meanwhile, legislators in Maine, New Hampshire, and Vermont will decide whether to establish an unprecedented regional lotto. Maryland lawmakers will consider extending a one-year lotto that returns all profits to localities. Colorado legislators will debate sharp restrictions on the types of lottery games and whether to forbid advertising "designed to induce persons to participate."

Any number of states will see legislative proposals — some for the umpteenth time — to create lotteries. One industry advocate, optimistic about approval in New Mexico and Missouri, notes an active interest in Minnesota.

Moral dilemma

Many of the questions in the debate over these measures will raise anew the fundamental moral dilemma of state lotteries: Is it proper for a state not only to allow gambling but also to promote it? Indeed, to be most successful in raising revenue, a state must lure more and more citizens to gamble. "All Delaware lottery games," boasts one lottery report from that state, "are supported by advertising and promotional materials that stress the fun and excitement of playing."

"The main public policy question is really morality and the social effects of gambling," says Steven Gold, director of the State-Local Finance



Project at the National Conference of State Legislatures. "While the moral questions are never answered, questions on the number of dollars can be: If you want to get money from gambling, lotteries are the fastest way."

A state should be able to net at least \$10 per capita, Gold says, and "Ten to fifteen dollars seems to be in the ballpark." Per capita net proceeds from today's lotteries range from Vermont's \$2 to Maryland's \$46, although the average is about \$20. Many states' "take" is influenced by out-of-state purchasers.

In fiscal year 1983, according to a survey by *State Legislatures*, lotteries raised a record \$2.08 billion for the states, and every state with a sufficient lottery history but one (Arizona) reported increased lottery sales. In Illinois, every previous record set by the state lottery was broken last year. This included a nearly 50-percent increase — to \$214 million — in profits for the state, the fourth largest general fund revenue source. Nationwide, lottery dollars ranged from Maryland's extraordinary 6.4 percent of general fund revenues to Vermont's 0.37 percent.

"We're hooked on it," says Ben Cardin, speaker of the Maryland House of Delegates, who opposes the lottery. "We're dependent on it. If

we wanted to halt it, we couldn't. I don't mind people gambling. It's just not a good way to raise money. If the needs are there, for the elderly or the handicapped or students, then we should provide the [tax] money for it. And over the long haul, it's not a reliable source of revenue. It's a very big money maker, very quickly, but it has changed the state. It has increased the appetite for gambling."

Lotteries are not a panacea, Gold cautions. Some recession-ravaged states, like Ohio and Michigan, enacted major tax increases last year despite their increasingly successful lotteries. "A lottery isn't going to bail out a state with a serious budget problem, but every little bit helps," says Gold. "You can't say \$200 million isn't much, but when you're spending \$5 billion. . . ."

Such an impact can be seen in Washington state, which approved a lottery in June 1982 in the face of a recession-related revenue shortfall of \$250 million. The lottery raised \$66.7 million in its first year, three times expectations and one-fourth of the deficit.

"They're not a cure-all," says Washington's lottery director, Robert A. Boyd. "The \$66.7 million was less than eight-tenths of 1 percent of the state's biennial budget; and after on-line games are added to instant

tics, we hope we will generate possibly 2.5 percent of the state's needs. If we're able to follow the experience of established lottery states, it's going to be a dependable source of revenue."

"It's still a small part of the budget, but it's still a significant item," observes Daniel Pierce, a lottery supporter and chairman of the Illinois House Revenue Committee. "We've had a very tight budget; we barely got by in fiscal year '83 without increasing taxes. The lottery's been important in preventing further cutbacks in services."

Promise and performance

Although lotteries have become a politically popular, if not an unlimited source of revenue, they are seldom debated for their fiscal efficiency. For example, Maine was advised it could expect \$10 million a year, but last year it received only \$3.7 million. Championing the revenue potential of a lottery is popular, and advocates of lotteries often adopt such promising names as "Citizens for Less Taxes," as a Florida group did.

In short, the central debate over lotteries most often hinges on moral questions and public policy. Opponents frequently say that lotteries invite organized crime, prey on the poor, and may make some people compulsive gamblers.

Statistical profiles of lottery players, however, show that the poor and the rich play lotteries, particularly the instant ticket games, in numbers smaller than their share of the population. In Colorado, a typical example of a lottery state, the average player, as gleaned from winner's claim forms, is a middle-aged man who makes \$30,000 a year and has at least a high school education.

In Maine, much of the support for that state's 1974 lottery came from blue-collar papermill workers. They found that rising gasoline prices caused by the Arab oil embargo made long drives to racetracks too expensive, according to Richard J. "Spike" Carey, a former state legislator and

now director of the Maine lottery. "It's the middle class who plays," adds Washington's Boyd.

"That's undoubtedly true, but it's irrelevant," counters Daniel Suits. An economics professor at Michigan State University, he analyzed the issue for the U.S. Commission for Review of the National Policy Toward Gambling. "Lower income people play the lottery much in disproportion to their income." Suits says five studies show that poorer people buy lottery tickets at a greater rate than others, given their income.

A Pennsylvania study, for example, showed that families with incomes under \$5,000 account for 3.2 percent of state income, but 5.7 percent of lottery purchases. In Connecticut, they account for 1.3 percent of income and 5.3 percent of lottery purchases. Nationwide, in 1974 the poor bought lottery tickets at 2.8 times their income share.

"It uniformly shows," Suits says, "that as you go up the income scale, lottery purchases become [a smaller share]. That is a classic definition of a regressive income source. It's 2.5 to 3 times as regressive as the sales tax. That's a fact, and it hasn't been disputed."

Suits adds, "You do get some revenue, and from a tax that, while it's regressive, people enjoy paying.

On the negative [side], it gets a state into a business that has been public policy to discourage — and with both feet. Gambling may be okay, but it does not follow that the state should be a pusher."

Indications are, however, that more and more states will enter the lottery business. Owen Hickey, director of Colorado's lottery and a veteran of the Pennsylvania and Arizona lotteries, predicts that 39 states by 1990 will have turned to this source to raise revenues. "Americans don't like taxes," says Hickey, "but they do like [government] projects and services. Lotteries are an effective and traditional means of raising funds."

Hickey points out that lotteries had a long history in the United States until they were banned in the late 19th century — not out of morality but because of frauds. "It's not so much a question of morality as it is an American tradition," Hickey says, citing charity gambling at churches.

"The biggest legislative question is: How much money should a lottery raise?" Hickey says. "It's a consumer product; do you offer it on a limited basis, or let the market set its own level?"

So far, the Colorado General Assembly has blocked an on-line numbers game that would widely ex-

Guide to lottery terms

INSTANT GAMES — Usually a \$1 ticket that informs a bettor instantly whether he has won a prize. A latex coating obscures a tic-tac-toe game, a poker hand, or some other arrangement, which is revealed to the consumer when he scratches the latex from the ticket.

LOTTO — A centuries-old Italian lottery in which gamblers select a group of numbers from a larger field, six from a field of 40, for example. A drawing is held to pick the winning numbers. If that combination has not been chosen by any player, the purse is added to the next game, and the jackpot builds.

NUMBERS GAME — A bettor chooses a group of numbers, say three or four, that are then compared with a winning number drawn daily, biweekly, or weekly.

ON-LINE — Any of a variety of games using a retail terminal directly connected to a central computer.

PARIMUTUEL — Consumers holding the winning numbers share equally in the prize, which is determined by the amount of the bet minus expenses and profit.

The bottom line: How

State	Year begun	How authorized ⁶	Top prize	FY 83 gross sales (000) ¹	FY 83 net proceeds (000) ¹	FY 83 net as % of general fund ^{1/2}	FY 82 gross sales (000) ¹	FY 82 net
Arizona	1981	I	\$1 million	\$75,000	\$31,800	1.90%	\$114,000	\$36,600
Colorado	1983	R	\$1,000/week for life	\$138,300 (1/24-6/30/83)	\$41,700	2.80%	N.A.	N.A.
Connecticut	1972	L	Lotto: no limit	\$188,000	\$80,500	2.50%	\$169,000	\$71,000
Delaware	1975	L	Lotto: no limit	\$30,100	\$11,000	1.50%	\$25,600	\$9,500
D.C.	1982	I	\$1,000/week for life	\$50,462	\$13,188	.74%	N.A.	N.A.
Illinois	1974	L	Lotto: no limit	\$495,400	\$214,100	3.00%	\$334,800	\$142,900
Maine	1974	R	\$25,000	\$13,074	\$3,700	.55%	\$9,658	\$2,384
Maryland	1973	I,L,R	Lotto: no limit	\$462,800	\$198,200	6.40%	\$457,400	\$199,000
Massachusetts	1972	L	Lotto: no limit	\$312,136	\$104,603	2.25%	\$279,754	\$92,540
Michigan	1972	L	\$2 million	\$548,900	\$221,200	2.50%	\$527,300	\$205,600
New Hampshire	1964	L	\$100,000	\$13,819	\$3,688	1.20%	\$12,387	\$3,610
New Jersey	1970	R	Lotto: up to \$10 million limit	\$693,100	\$294,900	6.30%	\$517,800	\$220,300
New York	1967 ⁵	R	Lotto: no limit	\$645,000	\$275,200	1.70%	\$424,900	\$179,800
Ohio	1974	L	Lotto: no limit	\$397,800	\$145,000	2.00%	\$363,900	\$144,000
Pennsylvania	1972	L	Lotto: no limit	\$885,400	\$355,400	4.80%	\$562,200	\$227,100
Rhode Island	1974	R	Lotto: no limit	\$43,000	\$14,700	1.30%	\$37,952	\$13,695
Vermont	1978	R	\$100,000	\$4,400	\$1,100	.37%	\$3,800	900
Washington	1982	R	\$1,000/week for life	\$200,117 11/82-6/83	\$66,700	1.80%	N.A.	N.A.
TOTALS				\$5,196,808	\$2,076,679		\$3,840,451	\$1,548,929

Notes and Sources

1. As reported by state lottery offices to *State Legislatures*.
2. General fund revenues supplied by state budget offices to *State Legislatures*.
3. U.S. Census Bureau, estimated population of the states as of July 1, 1982.

lottery states have fared

	proceeds (000) ¹	FY 82 net as % of general fund ^{1/2}	Population (000) ³	FY 83 net proceeds per capita	Total lottery sales since inception (000) ^{1/4}	Total net proceeds to date (000) ^{1/4}	Disposition of net proceeds ¹
	2.4%	2,860	\$11	\$189,000	\$68,400		Yearly minimum set by legislature for local transportation assistance fund, balance to general fund
	N.A.	3,045	\$14	\$220,000	\$77,000		50% capital construction; 40% conservation trust fund; 10% parks and recreation
	2.4%	3,153	\$26	\$1,200,000	\$505,187		General fund
	1.4%	602	\$18	\$122,292	\$43,300		General fund
	N.A.	631	\$21	\$78,048	\$20,000		General fund
	2%	11,448	\$19	\$2,090,000	\$887,871		General fund
	.4%	1,133	\$3	\$75,800	\$18,100		General fund
	6.8%	4,265	\$46	\$2,598,000	\$1,096,000		General fund. Effective 10/31/83 lotto profits to 24 political subdivisions. To expire 10/84. Legislation pending.
	2.1%	5,781	\$18	\$1,944,000	\$667,000		Distributed to 351 cities and towns for discretionary use; first \$3 million of Megabucks Lotto to the arts
	2.7%	9,109	\$24	\$3,600,000	\$1,600,000		Primary and secondary education
	1.2%	951	\$4	\$155,000	\$55,000		Education
	5.3%	7,438	\$40	\$3,400,000	\$1,400,000		Education and state institutions; \$75,000/year for studies on compulsive gambling
	1.1%	17,659	\$16	\$2,755,000	\$1,255,000		Elementary and secondary education
	2.4%	10,791	\$13	\$1,706,300	\$641,252		Effective 7/1/83 - primary and secondary education. Previously to general fund.
	3.19%	11,865	\$30	\$4,000,000	\$1,600,000		Senior citizens
	1.2%	958	\$15	\$280,000	\$100,000		General fund
	.33%	516	\$2	\$20,600	\$6,000		General fund (for debt retirement and capital construction)
	N.A.	4,245	\$16	\$259,170	\$103,670		General fund
		96,450	\$21.53	\$24,693,210	\$10,143,780		

4. Reporting dates vary.

5. The New York Lottery was suspended from October 1975 to September 1976 because of irregularities.

6. Initiative, referendum, or legislation.

N.A. Not applicable.

pand the lottery market. "I'm concerned that the salesmanship of the lottery is: 'We must do something to increase sales,'" says state Representative James M. Robb. He is seeking to curb the Colorado lottery from starting on-line and video games. "Let's not run too fast, too soon. They've exceeded all revenue projections, and they [the lottery commission] seem to want more." His bill would also restrict lottery advertising. "We don't go out and advertise cigarettes to raise [tax] money."

Intent often uncertain

Proposed new lottery games in other states often provoke debate over whether the voters or the legislature intended to authorize on-line games, video lotteries, or whatever. It would seem that explicit authorization or prohibition of certain games can avert confusion.

Beyond these issues surrounding adoption of a lottery lies the question of what to do with the revenue. Should it be earmarked for specific purposes or simply added to the general fund?

Six states use lottery receipts for the general fund, nine dedicate them to specific uses, and two divide receipts between a specific use and the general fund.

Arizona allocates a yearly, lion's share of the receipts to the Local Transportation Assistance Fund and puts the remainder in the general fund. Maryland uses its three- and four-digit numbers game receipts for the state general fund. Its one-year lotto was adopted overwhelmingly last year to share the lottery bounty with 24 localities. Each receives profits, estimated at a total of \$30 million this year, in proportion to lotto sales within the locality.

"Politically," says NCSL's Gold, "if you want to get a lottery adopted, if you do earmark, it may give you a potential lobbying ally. But if the states engage in too much earmarking, they can hamstring the budgetary process. If you don't have a particular axe to grind, it's best to let the legislature decide each year [how

Pennsylvania's money machine aids seniors

One of the most successful state lotteries has been Pennsylvania's, a \$4-billion money machine that has pumped \$1.6 billion into "The Lottery Fund," a specially created fund that supports an array of senior citizen programs. A state lottery spokesman attributes that success to two things.

"We have operated the lottery as a business," says Ray Shaffer, "and people still believe that if they don't 'hit,' they're at least making a contribution to senior citizens."

Shaffer and others talk of marketing research, product mix, and accounting techniques as if Pennsylvania sold soap instead of lottery tickets. The state now offers four lottery games, a successful product line from which it dropped its original, weekly drawing lottery in April 1982.

Without new games, Shaffer says, lottery sales would have declined for lack of consumer interest. This is happening in Colorado and Arizona, where only instant ticket games are offered. "If you didn't add a new product," he says, "sales would rise, plateau, and fall. That's why we're not in [the original lottery game] anymore. You have to upgrade or add [games]."

From \$126 million in sales in 1972-73, the Pennsylvania lottery has grown to an estimated \$1.2 billion in sales this year, 40 percent of which comes from just one product: lotto.

Lotto is a twice-a-week parimutuel on which consumers are spending \$8 million to \$10 million a week. With instant tickets, a 500-to-1 daily numbers game marketed through 2,400 computer terminals, and a biweekly "Big 4" numbers game with 5,000-to-1 odds, the state is hoping to net \$500 million in lottery profits this year. That amounts to \$42 for every man, woman, and child in the state.

"We spend a lot of time and money in research, customer profiles, advertising," Shafer says. "Through those studies, we're pretty [much] able to determine what people are looking for, and we change, modify, drop, or add." The lottery even altered its accounting procedures to eliminate a four- to six-week hiatus between instant games. "Now," says Shaffer, "we can end one on Monday and start another one Tuesday."

In the lotto, consumers pick six numbers from a field of 40, and winners share the prize equally. If there is no winner, the lotto rolls over until someone wins. Last July 22, \$8.8 million was awarded to one man — a North American record that stood until January when a Canadian lotto paid the American equivalent of \$11 million. But Pennsylvania still holds the record for a shared pay-off: \$18.1 million split three ways.

This revenue bonanza for the state has funded rent rebates and property tax relief for some 440,000 families with incomes below \$12,000 a year at a cost of \$844 million so far. It has even created the oddity of public funds looking for problems to solve.

State officials are touring Pennsylvania encouraging senior citizens to sign up for benefits, whether inflation bonuses (\$194 million) to help with such items as rising energy costs or free public transportation (\$231 million). A surplus in The Lottery Fund, \$210 million at the end of fiscal 1983, has even led to the creation of a new program to help seniors pay for prescription drugs. (The program also benefits low-income widows and widowers over 50 and the permanently disabled over 18.)

—Bill Curry

to spend the revenues]. There's already a tremendous amount of earmarking going on."

Gold notes, however, that for a lottery to have its biggest effect on the budget, it needs to be earmarked. "If the money is all spent on one purpose," he says, "it can make a difference, particularly if that purpose doesn't get that much to begin with. Earmarking of lottery proceeds is meaningless if it's for a function which is already receiving a large amount of revenue, because if you add in additional money, other money may be siphoned off. If it's going into the schools' pot, that's the equivalent of not earmarking at all. But merit pay for teachers — it may make a difference.

"It can be a shell game. If the proceeds are large relative to what's already being spent, it's not a shell game. If it's vice versa, it's a delusion," says Gold.

New Hampshire dedicates lottery receipts to education; Massachusetts, to the arts and local government aid; and Colorado, to capital construction (50 percent), a conservation and trust fund (40 percent), and parks and recreation (10 percent). Pueblo, Colo., a depressed steel town, used its parks' share of lottery receipts for a summer youth program during a period of high unemployment.

The states have also taken different approaches in allocating the lottery dollar among the categories of prizes, administration, and advertising. Some require a percentage to be returned in prizes or to be kept by the state, and costs such as administration and advertising are generally a fixed percentage also.

Lotteries can be big business for the retail outlets that market them; retailers generally receive a 5- to 6-percent commission. Particularly blessed are retailers in localities across the state line from a non-lottery state.

The "B" Mart in Vancouver, Wash., just across the Columbia River from Portland, Ore., sold 1,657,600 tickets in the state's first three lottery games. It received a

sales commission of \$82,880, according to the state lottery. It was the top single dealer in the state for all three games; the second-biggest seller was also from Vancouver. Clark County (Vancouver) has 4.65 percent of the Washington state population — but it accounts for 9 to 10 percent of the state's lottery sales.

Safeway is the state's top chain dealer for lottery sales — with \$848,521 in lottery ticket commissions in three games. State liquor stores placed second with \$714,924. On a smaller scale, the Hi-Joy Bowling Alley in Port Orchard, Wash., will use lottery ticket profits to stay financially solvent during the slack summer.

Legislative control of lottery agencies also varies with some being rather independent and governed by a commission, and others submerged in state revenue agencies.

How lotteries controlled

"If I were in the real world," says Connecticut's J. Blaine Lewis, "I'd be a *Fortune* 500 company. But if I want to travel to Rhode Island to see a vendor — 80 miles — in a state car, I still need permission for out-of-state travel from the state comptroller." That is because the Connecticut lottery is one more state agency, unlike its counterpart in Washington state where the lottery is an independent agency. Director Boyd describes

Washington's lottery as self-sufficient, "a state-owned business" with executive and legislative oversight.

"My advice," says Connecticut's Lewis, "is to make it as independent as possible, as much like a business as possible. Legislators are reluctant to do that because they think they are giving up control."

This sentiment is echoed by Jim Culver, former marketing director for Michigan's lottery and now a marketing consultant. Culver says the key to a successful lottery is the enabling legislation. "It starts with the legislation itself. Legislation that gives the lottery relatively broad powers to operate as a business — and still be accountable — is generally more successful than more overly restrictive legislation trying to regulate every single aspect. You have to have good enabling legislation."

Although a handful of isolated scandals have touched the lotteries, no evidence exists of any incursion by organized crime, says the executive director of Delaware's lottery, Ralph F. Batch. A former FBI agent who also has run the New Jersey and Illinois lotteries, Batch continues, "I don't think you'll find that and if it was [going on], it would have surfaced by now. We're in a fishbowl."

With lotteries riding high, it appears that more states will come

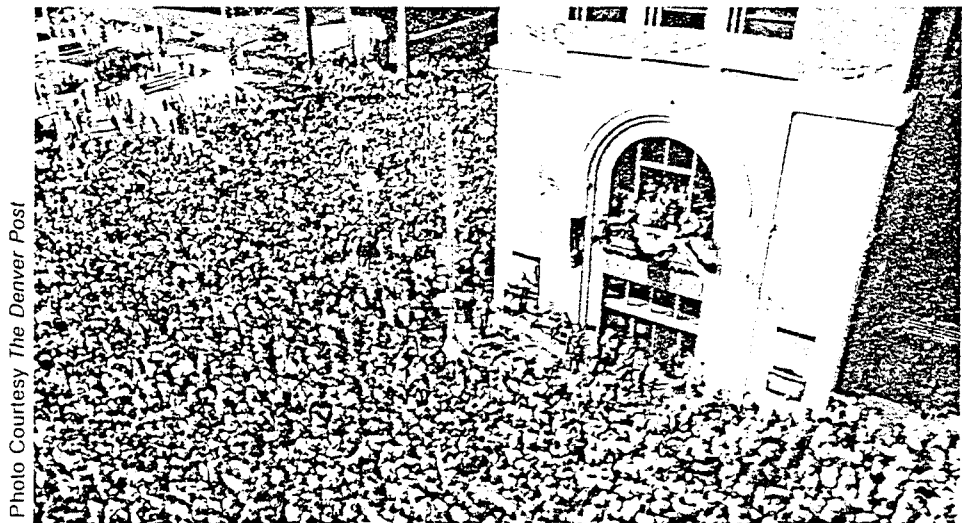


Photo Courtesy The Denver Post

GREAT GIVEAWAY — Scene in downtown Denver last year when on opening day of Colorado Lottery a supermarket threw free lottery tickets out to waiting crowd.

under pressure to adopt them, particularly as residents of one state see the experiences of their neighbors, as residents of Missouri watch those in Illinois, for example.

"The experience of having an ad-

jacent state [with a lottery] opens your eyes," says Robert L. Mote, general counsel of Scientific Games, Inc., a subsidiary of Bally Manufacturing Co. Last year Scientific Games provided more than 1.2 billion in-

stant tickets to 12 of the 17 state lotteries. "It makes it more socially, politically, and morally acceptable. Missouri is an example. There's been a lot of publicity in Missouri of people playing in Illinois."

"We're surrounded by Ohio, Maryland, and Pennsylvania," says West Virginia Senator J. Robert Rogers, "and I attribute part of their [lottery] success to West Virginians." Rogers sponsored the state's lottery resolution and expects approval in November. "I don't think there'll be any trouble, even though we're Bible Belt. It's a means of raising some additional revenue — \$30 to \$36 million — and the taxpayers are tired of being gouged. This is at least voluntary."

The manner in which some lottery ballot initiatives come about has raised a few legislative eyebrows. In 1980, Scientific Games spent a reported \$300,000 to help ballot campaigns in Colorado, Arizona, and the District of Columbia. Company Vice President James F. Trucks explained the firm's involvement this way to the *Arizona Republic* after the lottery's narrow victory there: "We became involved because we only had 14 potential customers in the United States and the only way to increase the number of potential customers was to increase the number of states with lotteries."

Company advertisements taunt non-lottery states with their "loss" of lottery dollars. Initiative sponsors in California have contacted Scientific Games, but no commitment has been made, Mote says.

While lotteries will seemingly grow and expand into new states, individual states with established lotteries face the question of future growth. How long can it go on?

"That's the \$64,000 question," says Ray Shaffer, a spokesman for the Pennsylvania lottery. "We've been watching incredible growth for 10 years. There's a limit to people's discretionary income. We just don't know where it is. There's got to be a top somewhere, but we haven't seen it."

Arizona: Selling a lottery

It was not a new idea when a Phoenix public relations man started pushing a state lottery initiative in Arizona in 1980. In 1879, the Tenth Territorial Legislature had authorized a state lottery, but the adverse public reaction prompted the next legislature to kill it two years later. In 1968 and 1974, petition drives fell short; and in 1970, a ballot proposal was defeated three to one.

When Walter Meek started circulating petitions in 1980, however, he had a secret backer with deep pockets: The nation's major supplier of lottery tickets, Scientific Games, Inc. It was paying petition circulators in an effort to increase its market for lottery tickets.

What followed was almost a textbook lottery story: Democratic Governor Bruce E. Babbitt opposed it. The Republican-controlled Legislature, which had refused to authorize a lottery, opposed it. The business community and civic and church leaders opposed it. The news media opposed it — "Look! Way up there. It's a pie in the sky," editorialized the *Phoenix Gazette*.

Meek, nonetheless, was not meek in predicting \$34 million for the state general fund, and succeeded in gathering 71,353 signatures. A loosely organized committee calling itself "Arizonans for Tax Reduction" campaigned heavily in favor of the lottery; and the predicted revenues became vaguer, \$25 million to \$35 million, by election day.

The group spent \$65,000 on television commercials, virtually all of the money coming from Scientific Games, which says it spent about \$200,000 in Arizona on legal fees, public relations, petition circulators, and the lottery campaign. "To increase our market" is how the company's general counsel, Robert Mote, describes the reasons for involvement.

One of the Arizona lottery's big winners so far has been . . . Scientific Games. For its \$200,000 investment, the company, after successfully bidding in open competition, has sold almost \$5.5 million in instant lottery tickets to the state. Other winners include the news media that opposed the lottery. Advertising revenues last year alone to the jointly owned *Phoenix Gazette* and *Arizona Republic* were \$78,280. "All the people who hated it," says an advertising executive, "are now stepping up to the bar."

The state's fortunes, however, are fading. "Our very first game," says Scott Phelps, the lottery's deputy director, "was the pits, as far as the odds. The worst. But everybody who won ended up on the evening news. The novelty has worn off. Now we have far more winners, but they're not on the news."

Lottery sales have slipped, from \$114 million the first year to \$75 million the second. This year, sales are about \$5 million a month, a \$60-million annual rate.

The state had also intended to start an on-line numbers game but was blocked by a court challenge. "An instant game is not meant to carry the load," says Phelps. "We need to broaden our product mix."

Finally, the Legislature adopted new campaign finance laws requiring public disclosure of who finances campaigns related to ballot propositions.

—Bill Curry