

Approved \_\_\_\_\_

Date

2/19/86

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS

The meeting was called to order by \_\_\_\_\_ Vice-Chairman Bill Morris \_\_\_\_\_ at \_\_\_\_\_  
Chairperson

11:00 a.m. ~~p.m.~~ on February 12, 19 86 in room 254-E of the Capitol.

All members were present except:

Senator Reilly was excused.

Committee staff present:

Russell Mills, Legislative Services  
June Windscheffel, Secretary to the Committee

Conferees appearing before the committee:

Hugh Law, Kansas Federation of Eagles, Holton  
Debora K. Imhoff, Anilas Chapter of American Women Assn., Salina  
Phil Wilkes, Department of Revenue, Legal Counsel  
Susan Wagle, Wichita, WBI  
Joe Berger, Sunflower Club Association  
Peggy Piper, Salina Crippled Children, Salina  
Richard W. Taylor, Kansans for Life at Its Best

Senator Martin moved that the Minutes of February 11, 1986, be approved.  
Seconded by Senator Strick. Motion carried.

SB550 - concerning bingo; relating to restrictions on the operation,  
management and conduct of bingo games.

Senator Vidricksen, author of the bill, said it was brought to his attention that in his local area there are organizations that cannot play bingo as often as they might because of the way the law is, because of the three days. These organizations use their money for worthwhile projects, and hope that the legislature will allow them to make money to use for the projects they help support in Salina. The bill gives one more day to play bingo per week. There is only a 24-hour cooling off period, instead of 44 hours. The changes occur on line 112 and line 120, and Senator Vidricksen said they are minor changes.

Mr. Hugh Law of Holton was the first conferee. His testimony is attached. (Attachment 1) His statement says that bingo is essential to most of the Eagles' Lodges if they are to continue their humanitarian charities. He stated that he is sure the Eagle Lodges can live very comfortably with this bill.

Susan Wagle, of Wichita, was the next conferee. She gave copies of her testimony to the Committee. (Attachment 2) Mrs. Wagle said that she and her husband own four small businesses and some investment real estate in the City of Wichita. Of all the business adventures she has been involved in, she prides herself most in their two bingo operations, because of the good will they promote and the revenue they generate for charity. She considers SB550 to be a positive proposal for Kansas charities and Kansas business.

The President of Anilas Chapter of American Business Women Association, Debora K. Imhoff, of Salina, was another proponent of SB550. Her statement is Attachment 3. She states that increasing ABWA's bingo nights to four nights a month, from two nights a month, would increase revenue for the state and increase their ability to give more scholarships at a time when government is cutting back such support.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS,  
room 254-E, Statehouse, at 11:00 a.m./~~p.m.~~ on February 12, 1986.

Peggy Piper, Secretary for the Salina Crippled Children Association, was the next speaker. Ms. Piper is also a proponent of SB550. A copy of her statement is attached. (Attachment 4) Their goal is to support Kids Connection, a school for handicapped children under school age. Their donations to the school, as well as the revenue to the state, have decreased since July 1, 1985, after the law limiting bingo to three nights a week was implemented. Their average monthly taxes before that date were approximately \$500.00 per month, and since that time the revenue paid the state was decreased over 50%.

The next conferee was an opponent of the proposed legislation. He was The Reverend Richard Taylor, of Kansans for Life at Its Best. He said everyone is in favor of helping other people, but it bothers him when these organizations say that this will help them with the money they skim off of bingo. He suggested that if we want to help people we should give our money directly to the people. He said that the people who lose their money at bingo (gambling money) are the ones who often need help. He said that in summation the Legislature passed a good bill in 1984. He feels it is working and why take a step in the wrong direction.

Mr. Joe Berger, who represents the Sunflower Club Association, composed of fraternal and veterans organizations, said they are opposed to SB550. He said two years ago when the bill was passed the bingo parlors took the bill to court. Mr. Berger said the problem with increasing the days gives unfair competition for the organizations.

He said right now they feel everyone is pretty happy with the law, except for the bingo parlors. The organizations he represents feel the law should be left as it is.

The meeting was adjourned.



HOLTON AERIE NO. 3417

# FRATERNAL ORDER OF EAGLES

POST OFFICE BOX 168

HOLTON, KANSAS 66436

2/12/85  
Attachment 1

Ladies and Gentlemen,

I am Hugh Law and my home is in Holton Kansas. I was appointed Legislative Chairman for the Fraternal Order of Eagles by our Kansas State President Vernon Noll of Leavenorth. I am representing the 41 Eagle Lodges in the state of Kansas.

Bingo is essential to most of these lodges if we are to continue our humanitarian charities as we have in the past. Last year the Grand Aerie of the Eagles raised over \$2,000,000 for our charities, Kansas Eagles raised about \$30,000 of this amount.

FIRST I want to commend Senator Vidricksen who submitted this bill #550.

I have only three questions. One is Section (N) about advertising. I do not know what regulations that the Secretary of Revenue have made. I am sure you know that we can not advertise in a newspaper, but some times I have heard bingo advertised on radio and T. V.

Section (M) about inducements. We used to give a FREE card to a person if they had a birthday during the past week. We also gave an Eagle Bingo Buck on what was called a Good Neighbor Game. We were told to discontinue this as it was an inducement. My question is "Isn't a Big Jackpot an inducement?"

Section (Q) About the four calendar days? This would mean only one session of 25 games per calendar?

In conclusion I want to thank you for letting me appear at this meeting and to state that I am sure our Eagle Lodges can live very comfortably with this bill.

*Hugh Law*

Hugh Law, Legislative State Chairman F.O.E.

Secretary of Holton Aerie #3417 F. O. E.

2/12/86  
Attachment #2

Mr. Chairman and members of the State and Federal Affairs Committee:

My name is Susan Wagle. My husband and I own four small businesses and some investment real estate properties in the city of Wichita. Of all the business adventures I've been involved in, I pride myself most in the two bingo operations we own because of the good will they promote and the revenue they generate for charity.

During the 6 month period from July 1985 to December 1985, our two halls, Parklane and Towne West Bingo Casinos generated approximately \$84,500.00 in PROFIT to our 12 sponsoring organizations. Every penny of this money goes back into our community for charitable causes. Our bingo business also generated approximately \$27,800.00 in Sales and Bingo Enforcement Tax revenue. I consider these figures to be reflective of other operations in the state and substantial enough to warrant serious consideration for an increase in operational days, as proposed in S.B. 550.

In July 1985, when our state laws changed and our operations went from 7 days a week to 3, we feared bankruptcy. The only way we were able to stay in business was to increase the rent charge to the sponsoring organizations. Of course, this defeated the whole purpose of Bingo, which I feel exists as a legal and state regulated means for a non-profit organization to raise substantial funds. If Bingo were allowed to operate an additional one day per week, profits would increase to my organizations and substantially more tax revenue would be generated. I have attached my actual revenue figures for the months stated and also projected increases for a 6 month period and a yearly period if S.B. 550 becomes law.

I consider S.B. 550 to be a positive proposal for Kansas charities and Kansas business. Since the 3 day law was enacted, many of our patrons regularly visit the Oklahoma reservation games and Wichita and the State of Kansas have lost considerable revenue.

I would appreciate your vote for the bill and am willing to give you further explanation if its needed.

Actual Revenue  
 Parklane Bingo Casino and Towne West Bingo Casino  
 July 1985 through December 1985  
 3 day per week operation

<u>Gross Sales</u>	<u>Sales Tax (4%)</u>	<u>Bingo Enforcement Tax (3%)</u>	<u>Profit to Charity</u>
\$411,300.06*	\$15819.20*	\$11,979.60*	\$84,457.17*

(actual prize money awarded - \$187,200.00\*)

Projected Revenue  
 6 month period  
 4 day per week operation

\$548,400.08	\$21,092.26	\$15,972.80	\$128,582.36
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(projected prize money awarded - \$249,600)

Projected Revenue  
 1 year period  
 4 day per week operation

\$1,096,800.16	\$42,184.52	\$31,945.60	\$257,164.72
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(projected prize money awarded - \$499,200.00)

\*Figures are unaudited however deemed reliable

2/12/85  
Attachment #3

Debora K. Imhoff  
817 Spruce  
Salina, KS 67401

February 13, 1986

June Windscheffel  
c/o Senator Edward F Reilly, Jr.  
Box 3  
Statehouse  
Topeka, KS 66612

Dear Ms. Windscheffel:

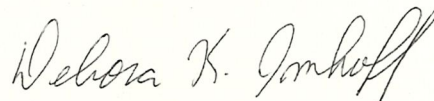
The following is a breakdown of my presentation to the Federal and State Affair committee yesterday.

1. Where we currently rent, one (1) organization had to leave and two (2) organizations had to go to playing bingo on alternate Sundays. The Anilas Chapter of ABWA was one of the organizations that had to go to alternating Sundays.
2. We started bingo in October, 1984. From that time to June, 1985, our average monthly taxes were \$552.00. Since the changing of the law in July, 1985, our average monthly taxes are \$197.00. This is a lost of revenue for the State of \$4,260 a year. This is only from one (1) small organization in a medium city like Salina, KS. It does not even consider the lost of revenue from taxes on the owner of the bingo parlor due to her lost of income.
3. Proceeds from October, 1984, to February, 1985, we were able to give out scholarships of almost \$4,000. This year, due to the larger proceeds before July, 1985, we will be able to give out between \$4,000 to \$4,400 in scholarships. Based on current figures, we estimate our scholarship fund for next year will only be around \$2,500--over a 50% decrease. This comes at a time when the Federal government is decreasing its aid to education.

Based on the above figures, I urge the support of Bill 550. Increasing our bingo nights to four (4) nights a month from two (2) nights a month would increase revenue for the state and increase our ability to give out more scholarships at a time when the government is cutting back such support.

June, if you have any more questions or need more information, please let me know. My work phone number is 1-825-0563.

Sincerely,



Debora K. Imhoff  
President  
Anilas Chapter of American  
Business Women Association

2/12/86  
Attachment #4

Mr. Chairman, ladies and gentlemen:

My name is Peggy Piper. I am the secretary for Salina Crippled Children Assoc. in Salina Kansas. Our goal is to support Kids Connection, a school for handicapped children under school age. The children attend the school free of charge and therefore funds are needed to support the school.

The bingo parlor, Off Broadway Bingo, where we play had five organizations playing bingo. One group had to give up altogether and two organizations, American Business Women and Salina Crippled Children are splitting a day to conduct our bingo games because of the law limiting bingo to three nights a week. This has hurt our donations to the school as well as revenue for the state. Our average monthly taxes before July 1, 1985 was approximately \$500.00 per month. After July 1, 1985 the revenue paid to the state was decreased over 50%.

We request that the committee relax the bingo law and change it to read four nights a week and 24 hours between games.

Thank You,  
*Peggy Piper*  
Peggy Piper